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# newsline

## HEALTH AND SAFETY

### Asbestos fund established

Asbestos workers in Calgary have voted to turn over 25 per cent of a negotiated increase to a fund to help prevent asbestos-related diseases. The 250-member Local 126 of the International Association of Heat and Frost Insulators and Asbestos Workers negotiated an 80-cent-an-hour wage and benefit increase in a one-year contract. However, they agreed to contribute 20 cents an hour to establish a trust fund to compensate disease victims and buy dust sampling and monitoring equipment and train workers to use it on work sites.

Ray Sentes, the local's health and safety research director, said a health-and-safety clause negotiated with contractors in the Calgary area marks the first time employers have accepted a legally binding responsibility for the health and safety of their employees.

### Norway leads the way

Legislation that went into effect in Norway in July is intended to ensure both "safe working conditions and a meaningful work environment" for employees in most industries. Work must be organized in such a way that "employees are given reasonable opportunities to develop their skills and personal aptitudes through work."

The law, believed to be the first in Western Europe expressly linking work safety with humanizing of jobs, places safety considerations unequivocally above economic criteria. It gives workers the right to walk off the job where staying would constitute a health risk. It also includes provisions on pregnancy and child care, including the right to paternity leave and the right to time off for breast feeding.

## WORK STOPPAGES

### Australia curbs public service strikes

Australia has passed legislation that empowers the federal government to suspend or fire public employees who take part in "disruptive industrial action." The legislation was introduced August 18 and passed in two days by both the House of Representatives and the Senate.

The legislation was aimed particularly at ending two weeks of disruptive postal strikes, and the government said it would promulgate it only if necessary. Postal workers across the country started voting to return to work immediately. The Parliamentary opposition bitterly attacked the legislation, saying it would enable any minister to dismiss any public servant who takes part in an industrial dispute.

## INDUSTRIAL DEMOCRACY

### Participative management at York

York University in Toronto has adopted a unique model of employee participation for its librarians, based on their particular role in the academic community. The model was borrowed from existing forms of democratic decision-making for faculty, but adapted to retain "certain hierarchical tendencies," according to Vivienne Monty, assistant head of the library's government documents and microtexts branch.

If co-determination is to work, Ms Monty explains, it has to be recognized that "certain decisions must be left up to a small group of managers for the efficiency of the day-to-day running of the library. Inherent here is the idea that someone is needed to co-ordinate but not necessarily to dictate....In other words, a service industry has to be maintained at efficient peak levels while the administrative structure was changed to a participative one."

The faculty model of participation

has been instituted in relation to librarians' working conditions. The librarians themselves make recommendations on such matters as permanent appointments, promotions and sabbaticals, using professional criteria developed and administered by them. Their recommendations go to the chief administrator of the library "who may, in fact, object to the decision, but must show just cause why the decision of his colleagues is not valid, especially when that decision was made in relation to considerable input from those whom the librarians serve and work with," Ms Monty notes.

The other major change in decision-making is that managers now are asked to account to the people they manage. Middle and top managers are appointed for five years with the possibility of renewing their terms but only after a review by those with whom they work. According to Ms Monty: "This method assures the administrators a fixed term wherein they can carry out long-range projects while they know they have a stamp of approval from their co-workers.

"Administrative functions carry with them a stipend for assuming responsibility, but the incumbent's professional status is maintained in every other way, including the standard salary for their rank as a professional in addition to their stipend. This system allows for considerable administrative flexibility as heads need not roll. It allows individuals to resume their professional functions minus administrative duties after their term if they so desire, which means that useful employees do not leave the university simply because they tire of administering or find that they have reached their level of incompetence. Instead they can quietly fade into the background."

The university has also widened its "administrative think tank" by establishing a library council on which all the librarians sit as well as their administrators and the president of the university. The council fulfils several functions, all implying participation: deliberating on matters of library "policy and welfare;" providing professional advice to the director of libraries; receiving reports of library "plans, progress and problems" from the director of libraries and discussing them with him; legislating the council's own "policies, procedures and committee structure."

The council elects a smaller executive committee to co-ordinate the council's work between meetings and ensure that its committees are functioning. The director of libraries is an ex officio member of the executive committee.

On a purely administrative level, the director of libraries has his own committee of supervisors, which deals with "the day-to-day supervisory functions of the library and allows manoeuvrability in purely administrative matters," Ms Monty reports. The council's chairman and vice-chairman are represented on the supervisors' committee.

## THE WORKPLACE

### Housekeeper secretaries

Serving coffee to their boss remains one of the tasks of 78 per cent of middle and top-level secretaries in the United States, with salaries higher than the national average. A survey conducted by the Dartnell Institute for Business Research in Chicago also found that 65 per cent carry out "office house-keeping," and 64 per cent handle personal correspondence. Tasks carried on by the secretaries also include travel arrangements, banking, shopping, running errands and typing for the executive's family.

"The best-paid group were found to accept these duties most readily, but only 28 per cent considered them all legitimate," says a report in *Canadian Industrial Relations and Personnel Developments*.

## THE ECONOMY

### Trade-off theory challenged

A study published by the Economic Council of Canada challenges the notion that wage increases can be held down by allowing the unemployment rate to rise, and says governments have been ill-advised to assume that there exists a simple trade-off between unemployment and inflation.

In their study report, *The Determination of Wage-Change Relationships*, J.C.R. Rowley and D.A. Wilson, contend that studies that support the trade-off concept have been based on the assumption that wage rates are negotiated annually, but unions and management prefer to negotiate long-term agreements. By overlooking the effects of multi-year contracts, and the frequency of large increases early in the agreements, previous research, the authors maintain, has provided an inadequate explanation of changes in wage rates.

The trade-off theory holds that stimulating the economy will accelerate inflation while stable prices

will mean higher unemployment. In recent years, however, both inflation and high unemployment have existed together.

## PRODUCTIVITY

### Scanlon plan increases co-operation

Interest in the Scanlon Plan for labour-management co-operation is reviving in the United States according to *World of Work Report,* monthly publication of Work in America Institute Inc. The concept, originated in the 1930s by a steelworker named Joe Scanlon, now is a reality in more than 100 workplaces.

A Scanlon plan normally comprises two elements: a labour-management committee system to serve as a means of both upward and downward communication and a bonus system based on labour productivity through which the workers can share in any gains achieved.

*World of Work Report* describes as typical the program at Dana Corporation's plant in Edgerton, Wisc. The Toledo-based manufacturer of components for the transportation industry now has 14 locations with Scanlon plans, the earliest dating back to 1969.

At Edgerton, more than 1,000 workers participate in the plan which was put into effect in 1973. The plant's base labour costs are calculated as a percentage of sales dollars, based on past history. Then, through a system of workplace and job improvements, labour costs are reduced, with all savings over the base labour cost subsequently split — 75 per cent to the workers and 25 per cent to the company.

The plant has 20 production committees each made up of a management representative and two representatives of hourly-paid workers. Employees may make verbal or written suggestions to a member of his or her committee, which, in turn, may spend up to $200 to implement the suggestion. Ideas requiring a larger investment are sent to a screening committee of seven elected employees from production committees and five management representatives, one of them the plant manager. The screening committee reviews calculations of monthly bonuses as well as operational changes that may result in bonus earnings.

The report quotes Lee Hess, plant manager at Edgerton, as saying the plan is a means of "achieving recognition for a worker whose ideas no one had previously asked for. Suddenly he's contributing not just the sweat of his brow but the ideas which lay dormant."

## JOB SATISFACTION

### One third unhappy

A United States survey has found more workers dissatisfied with their jobs now than at any time in the past quarter century. The survey, which has questioned employees of 159 companies every year since 1952, found 32 per cent of current clerical employees unhappy with the work they do. Between 1952 and 1959 only 24 p cent had said they were unhappy The poll also found that 38 per cent of all hourly paid workers surveyed dislike their work, compared with only 31 per cent years ago. However, the Opinion Research Corporation of Princeton, N.J., which has been conducting the polls, reports tha 91 per cent of managers are satisfied with their work, a percentage that has stayed relatively constant since the surveys began.

## EMPLOYEE COMPENSATION

### 1976 averages

Total compensation to employee in Canada averaged $15,219 for each employee in 1976 — $13,86 in salaries, wages and other dire payments and $1,354 in employe payments to welfare and benefit plans, according to Statistics Canada's All-Industry Survey of Labour Costs. The figures represent costs to the employer rather than benefits received by the employee. The largest single component of compensation in 1976, other than pay for time worked, was vacation pay which represented an average expenditure of $772 per employee, or 5.1 per cent of total compensation. Employer contributions to pensio plans, including the Canada and Quebec plans, averaged $717 per employee, or 4.7 per cent of tota compensation. lg

# Direct employment programs: the new Canadian policy emphasis

by E.G. West

Faced with the new phenomenon of 'stagflation' or 'slumpflation' Canadian policy-makers have become considerably disenchanted in the last two or three years with the traditional fiscal tools of stabilization. And certainly the old policy of 'trading off' so much less employment for so much more inflation seems now in shambles. Indeed more and more people take the evidence to show that the relationship between unemployment and inflation is not negative but positive.

The cry in some circles has been that we need a new policy tool, and one that is non-traditional but effective. Observing that traditional monetary and fiscal policies fail especially in providing *selective* employment stimulus, the Economic Council of Canada concluded their recent investigation of the unemployment problem with the following recommendation:

"We recommend that the federal and provincial governments take steps immediately to develop a program to create continuing auxiliary jobs linked to the unemployment insurance system and aimed particularly at groups and areas faced with high unemployment. It should work through conditional grants to the provinces, municipalities, social service agencies, and participating business enterprises, and would be available to persons who would normally be eligible for unemployment insurance benefits." (*People and Jobs*, 1976)

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There is nothing especially new about the 'direct assault' approach to the unemployment problem. Indeed it dates back at least to the 17th Century in England. And during the Great Depression of the 1930s in Europe and North America there were numerous public service employment programs. Those that are newly proposed, or are presently beginning to operate, however, seem to differ from the older depression period policies. These new style jobs are supposedly for services needed by the community. There has never been any talk of hiring workers to dig holes and to fill them up again, as is alleged to have taken place under some North American programs in the 1930s. Also, the net government costs of direct employment programs are relatively low because every dollar budgeted goes directly into a job. And it is presumably one that is filled by an unemployed person, thus saving unemployment insurance and welfare dollars.

If we look at the results of some of the experimental programs so far, we find that they have not lived up to their full promise. The main postwar employment 'creation' programs in Canada hitherto, have been the Local Initiative Program (LIP), the Opportunities for Youth (OFY) scheme, and jobs connected with the incentive grants available through the Department of Regional Economic Expansion (DREE). In 1971 and 1972, LIP provided jobs for about 85,000 persons. But they were jobs that lasted only three to four months of the winter. OFY, meanwhile, offered summer jobs to nearly 30,000 students, but federal funding for this program has since been discontinued.

***The idea of trading off so much less employment for so much more inflation now seems in a shambles***

Two problems associated with the LIP and the OFY programs have been summarized by the Economic Council as follows:

"In the small towns where seasonal unemployment is usually highest, there is a limit to the number of practical projects; in larger centres the need is mainly for services, but these usually call for continuity and require support from community organizations."

But more important, the new jobs did not reduce the ratio of unemployed to employed calculated as the basis of a size of the initial labour force; what they did was merely encourage the labour force itself to increase. In general, most participants in the LIP scheme received temporary employment only, and this was usually followed

by unemployment and/or labour force withdrawal. Employment under LIP, of course, qualified workers for unemployment insurance for a period after their jobs were terminated. In Quebec 55 per cent of all the participants in the 1972 to 1973 program in that province received between 15 and 45 weeks unemployment insurance benefits in the couple of years following the LIP project. As for the jobs created by the Department of Regional Economic Expansion, the main problem has been that the relevant programs are expensive, having the maximum allowable limit of $30,000 per job.

***The new jobs did not reduce the unemployment ratio based on the initial labour force, but encouraged the labour force to increase***

In view of these problems it is now being suggested that, instead of the incidental temporary job program, what is needed is the "continuing auxiliary-job concept." Moreover, the program should not be merely a special measure to offset cyclical unemployment, but should be a *permanent* instrument to provide alternatives to unemployment for many people who would otherwise be dependent on unemployment insurance. The Economic Council's proposal is for a program that would involve "continuing jobs that would be held for limited periods by each participant who would be expected soon to return to a mainstream job." Such programs are intended to be sufficiently attractive so that no one would be *compelled* to use them.

There are many unanswered questions concerning such a proposal however. First, if the job is not to be of the hole-digging-and-filling variety it must provide a service

***Will officially sponsored jobs not simply displace similar jobs on the market?***

that is useful to society. In the private sector, if a job is useful, its performance will normally command a price. Will *officially sponsored* jobs therefore not simply displace a similar job on the market? The Economic Council speaks of its proposed direct employment program as providing "auxiliary work" in the food-producing sectors, transportation, communication, and distribution systems. These jobs moreover, "would contribute to lower costs and higher productivity." It is not made sufficiently clear why, if the jobs do provide such benefits, business enterprises are not already offering them themselves.

Second, consider the provision that such programs are to be financed by conditional grants to provinces. What is to stop the provinces obtaining federal funds to create public service employment and simply substituting these funds for their own payroll budgets? They might then use the savings to reduce state and local taxes or to purchase additional buildings, computers and the like. Experience from America suggests that this is not just a wild possibility. Under the U.S. Employment and Training Act of 1973, massive expansions in money provided for public jobs have been requested by various regional government representatives. Estimates of the amount of federal money that has been since substituted for state and local money range from 40 per cent to as high as 90 per cent.

It is important to keep in focus the stated purposes of the new Canadian direct employment programs. The idea is to expand employment without aggravating inflation. If t programs do cause price levels t rise further, then we must at leas take this into account in terms o conventionally measured costs o inflation. Meanwhile, those who believe that inflation causes une ployment will go further and condemn the scheme as counter productive. How likely is the consequence of indirect inflation

Further inflation will probably follow if the direct labour programs create jobs that simply attract into them workers who are fully employed elsewhere. At the same time, present burdens of inflation are not likely to be reduced if the new jobs do not create services of real economic value. Experience with the so-called public service employment programs in America should be kept in mind. In practice, only 17 per cent of workers eventually hired under the U.S. Emergency Employment Act of 1971 were strictly "disadvantaged." Indeed, those hired had a higher average educational level than the worker in the private section. The public service jobs actually paid $7,000 - $8,000 a year. Yet there were 10 - 20 million full-time workers with smaller incomes than these.

It is not surprising, therefore, tha the main result of the legislation was merely to reallocate existing fully-employed workers. Neverthe less the public service employment program has been embrace with new enthusiasm by the Cart administration which, in 1977, is planning to finance 1.4 million such jobs in America.

In Canada the Economic Council has observed that, as legal minimum wages continue to rise it becomes increasingly costly to employ people with limited productive capabilities. The implication is that such people are disad vantaged by minimum wage legis

lation and that the direct employment program is necessary to remove the disadvantage. Logically, however, the appropriate procedure is to relax the minimum wage legislation. If people do have "limited productive capabilities," such as individuals with physical and other disabilities, their labour will fetch a price on the market that is lower than average. This is the result, not of exploitation, but of true market price of their economic contributions. Certainly there is an argument for helping such people to enjoy higher incomes than their labour alone would generate. But this need not involve altering their wages. Non-wage supplements to their incomes would be provided via the general taxation machinery, under a scheme such as the negative income tax that is now being planned by the Carter administration in America.

It is the same taxation machinery that presumably is to be used in Canada to finance the direct employment program. Should the revenues be allocated in cash or in jobs? Consider persons with a labour productivity worth $2 an hour and the legal minimum wage is $3. If a government employs them it will have to pay at least the minimum wage of $3. Thus, governments will have to subsidize these workers by at least one dollar an hour.

The question, in other words, is whether these direct subsidies or supplements would not be better used if sent directly to the low productivity individuals in the form of cash. Such a procedure would probably involve less administrative costs than would an elaborate

***As the legal minimum wage rises it becomes increasingly costly to employ people with limited productive capacities***

direct employment program. Moreover, there would be less interruption in work. A minimum wage program that prices people out of a job will place them on the unemployment lists for some period of time pending the development of the public employment scheme. And even then it is not clear whether they will be in the most productive place.

In 1977 the policy-makers are clearly placing increasing hopes on direct employment schemes. And they are feverishly exhorting private employers to create more jobs. Some will argue that such a development is a detour from the main remedy — control of the money supply. But the latter is a long-term policy. Politics is a short-term business, as short as the date of the next election; and politicians like to gamble for quick expedients.

There is special need, therefore, to consider the effects of present direct employment schemes in the long-run. Will they largely misfire, as in America? Will there be a substitution of federal funds for otherwise committed provincial and local expenditures? Will most candidates for the new jobs in the public sector not be disadvantaged at all but merely consist of presently employed people seeking easier work at better pay?

Whatever the answers, Canadian schemes are now being launched with new-found vigour. The public employment 'horse' is now well out of the Canadian stable. In his Budget Speech of 1977, the Minister of Finance stated:

"The employment strategy featuring the major new programs of Canada Works and Young Canada Works has already been launched. Their impact will build up rapidly through the summer and into next winter. We have had a good response from the first call for proposals from the public and private groups. This means that jobs will be created quickly. I wish to announce a $100 million expansion of our job-creating programs to boost employment further, where it is most needed. This expanded $458 million commitment for 1977-78 will create 600,000 man-months of employment. It will have significant impact in reducing the number of unemployed."

***The public employment 'horse' is now well out of the Canadian 'stable'***

Insofar as these new jobs are to be provided in the public sector, the Canadian federal government is obviously going to make considerable contributions out of public funds. A danger is that this will increase the government's budget deficit and that this will be financed by further monetary creation. Will there then be a direct worsening of inflation? And if so, will it, indeed, more than undo all the benefits? It would certainly not be the first time that government short-term policies have been perverse! lg

# The role and relevance of theory in industrial relations: a critical review

**by Robert J. Davies**

Amongst industrial relations practitioners, theory is often considered to be something of a dirty word. All too frequently it is viewed either as a rather extravagant luxury indulged in by academics, or as an activity which has little or no relevance for the world of industrial relations practice. Yet this view is misguided, for theory is not something that is opposed to and divorced from the real world. Indeed, the world of industrial relations is so complex that sense can only be made of it by focusing on some aspects of reality and ignoring others, by selecting information and formulating courses of action on the basis of some set of organizing principles, some implicit conception of how the world behaves.

Moreover, development of these principles and conceptions, though seldom explicitly realized as such is in effect non other than an elementary process of theory formulation. It is simply that the process has become so commonplace in the minds of industrial relations practitioners that it has come to be viewed as "mere common sense." As one observer has aptly put it, "those who glory in their pragmatism and insist that they are immune from theory are simply unaware of their own preconceptions and presuppositions." (Richard Hyman: *Industrial Relations,* 1975)

Yet this is an unhealthy state of affairs, for systematic practice, and by implication the evolution of a well-informed public policy toward industrial relations, presupposes a systematic and explicit theory of the subject. A theory, moreover, that is open to critical scrutiny, not based upon vague taken-for-granted assumptions that are lost in the mists of hunch and popular folklore — an atmosphere which, unfortunately, is still all too pervasive in the field of industrial relations.

However, recognition of the need for a systematic theory as a necessary prerequisite to the formulation of an effective industrial relations policy merely represents a willingness to confront the problem, not a solution to it. For even among academic analysts of the subject there has been, and remains, a considerable reluctance to concentrate explicitly on the discussion and development of theory. Research in the field has tended to be characterized by fact-finding and description rather than theoretical analysis. As John Dunlop observed in his pioneering work *Industrial Relations Systems* (in a quotation partly borrowed from Julian Huxley)

"Mountains of facts have been piled on the plains of human ignorance. The result is a glut of raw material. Great piles of facts are lying around unutilized, or utilized only in an occasional and partial manner. Facts have outrun ideas. Integrating theory has lagged far behind expanding experience." (John Dunlop: *Industrial Relations Systems,* 1958)

***Theory is not something that is opposed to or divorced from the real world***

To some students of the field this lack of theory appears to be largely inevitable, given the highly complex nature of the subject. They argue that the factors involved in industrial relations are so numerous and occur in so many combinations and permutations that worthwhile theories are difficult if not impossible to formulate. Indeed some commentators have even gone so far as to suggest that industrial relations is better considered as an art rather than a science. And, moreover, is likely to remain so "as long as human behaviour, both individual and group, is largely unpredictable." (Douglas Brown: *University Research in Industrial Relations,* IRRA, 1952) This attitude, however, has all the characteristics of a self-fulfilling prophecy. For although in a very real sense every industrial relations situation is unique, it is nevertheless the case that a variety of common elements or 'structural determinants' can generally be identified. In short, human behaviour in the field of industrial relations is not totally capricious. The key to successful theory construction is the ability to distinguish between what is unique to any given situation and what is not, and this involves a systematic or scientific approach to the subject, not a resignation to the inevitability of randomness and idiosyncrasy.

f a successful theory of industrial elations is to be developed bstraction is clearly essential to educe the number of variables to nanageable proportions and to rovide an improved focus for nalysis, prediction, and policy ormulation. But which variables nd which inter-relationships? To late much of the theoretical work hat has gone on has sought to narrow the scope of the subject by ocusing on limited areas delin-eated by the theoretical founda-ions of 'parent' disciplines such as economics, sociology and psychology. However, a number of authors have argued strongly against this 'Oedipal' attachment o mother disciplines. As Flanders nas observed:

'The drawback of relying on the heory of any one of the several disciplines that have impinged on ndustrial relations is that they were never intended to offer an ntegrated view of the whole complex of institutions in the field. Theoretically speaking, these disci-plines tear the subject apart by concentrating attention on some aspects to the exclusion or compa-rative neglect of others. And a partial view of anything, accurate as it may be within its limits, must of necessity be a distorted one". (Alan Flanders: *Industrial Rela-tions: What is Wrong with the System?* 1965)

In the realm of policy, the conse-quences of one-sided or partial theorizing may be particularly serious, and may frequently lead to a variety of unintended results. Indeed, examples of this are legion. In the early 1960s, for example, a number of firms in the British automobile industry made the decision to root out shop-floor 'trouble makers' as a means of reducing what was considered to be an unacceptably high level of strike activity. The guiding prin-ciple behind this policy was the

***Systematic practice and the evolution of a well informed public policy presuppose a systematic, explicit theory***

notion that labour unrest was caused by groups of activists — the so-called "agitator" theory of industrial conflict (a theory which, incidentally, still has some adherents in Canada). The initial outcome of the exercise was that the number of strikes did indeed fall. However the firms in question soon found themselves faced with substantial increases in absen-teeism, labour turnover and indus-trial accidents. What this naive view of industrial conflict had clearly failed to appreciate was that efforts to suppress *specific manifestations* of conflict without removing the *underlying causes* of unrest may simply divert disorder into alternative channels.

A similar picture emerges in rela-tion to the application of the views of the "human relations" school to the field of industrial relations policy. The basic tenet of this approach was that the nature and quality of management/worker relations depended primarily on management's skills in meeting employees' social needs. This notion was based upon the obser-vation that employees showed a marked tendency to relate to one another at the workplace through the formation of informal groups whose goals were frequently in opposition to those of manage-ment. However, it was the belief of the human relations theorists that the primary motivation behind the formation of these groups was social in character, and not related to any basic desire to pursue anti-management goals. Thus it was considered that if management could offer workers an equivalent sense of group involvement through the use of various man-agement styles and personal leadership techniques, then workers could be induced to respond more willingly to mana-gerial directives.

Again, however, the theory failed to recognize an elementary point, namely that work-group behaviour is shaped by many other influ-ences than mere social skills. Men and women do not form them-selves into informal groups in the workplace for purely social

***Industrial relations research has been characterized by fact finding and description rather than by theoretical analysis***

reasons. Indeed much informal group behaviour is strongly oriented toward much more basic economic and job needs — an orientation, moreover, that is constantly reinforced by workers' experiences in an acquisitively structured wider society, and within a work environment all too frequently characterized by hier-archical control, extreme division of labour and elaborate authority structures.

It is hardly surprising, therefore, that when policies derived from the human relations approach were introduced they were greeted with suspicion and distrust and singularly failed to motivate workers in the way that was intended.

From these examples it should be abundantly clear that a complete understanding of the prevailing industrial relations environment is of paramount importance and is an essential prerequisite to the formulation of policy. Industrial relations situations must be considered in relation to what may be termed the "totality of social action," recognizing that different

social phenomena are fundamentally inter-related — and therefore cannot be realistically analyzed in isolation.

This requirement would seem to lead inexorably toward the search for a "general theory" of industrial relations. However, there are dangers inherent in succumbing to this siren call of the "glamorous aggregate." For if the search for theory in industrial relations begins with a framework which seeks to explain *all* industrial relations phenomena, the result could all too easily be a theory that is so vague and general that it is of no value in specific instances. Yet it is these specific instances that form the day-to-day concerns of industrial relations practitioners. The search, therefore, is for a theory which has as its primary purpose "relevance within as much rigour" as possible rather than merely achieving "rigour regardless of relevance."

***A variety of common elements or 'structural determinants' can be identified***

This clearly raises, but does not answer, the question of precisely what form theorizing should take and what functions it should be expected to perform. At this point, therefore, it might be useful to specify briefly a few criteria that a useful theory of industrial relations should ideally satisfy.

It is evident that in the first instance it should seek to identify the key variables of the system to be explained and trace out the important inter-relationships between them on both an individual and a collective basis. However, this is clearly not the same thing as a simple listing of every conceivable determinant without any indication of its relative importance. What is also required is the specification of testable, and, by implication, potentially refutable hypotheses. Finally, a theory should ideally have predictive quality in the sense that it should be capable of providing practitioners with some insight into the likely effects of their actions.

It is against these criteria that the existing theories of industrial relations should be judged. However, in assessing contributions to theoretical debate it should also be recognized that theory construction is an essentially evolutionary process. Rome was not built in a day, and it is unfair and inappropriate to criticize a set of foundations simply on the grounds that they do not yet provide a very adequate form of shelter.

The first step toward the construction of a satisfactory theory of industrial relations is undoubtedly the provision of a secure analytical focus, and this involves the formulation of a satisfactory definition of the subject. In purely descriptive terms industrial relations may be defined as the study of human behaviour as a series of relationships among individuals, groups and organizations in a work-related environment. Alternatively, it may be described as the study of the total network of social relationships in industry, of work-related human behaviour in its entirety. As an analytical definition, however, this is not really very useful for it still leaves the subject without a sufficiently clear focus for analysis.

Consequently theorists such as John Dunlop and Allan Flanders have attempted to provide a somewhat narrower definition of the subject as a basis for theory construction. As a means to this end, they take as their starting

***Incorrect assumptions may lead to the suppression of specific manifestations of conflict without removing the underlying causes of unrest***

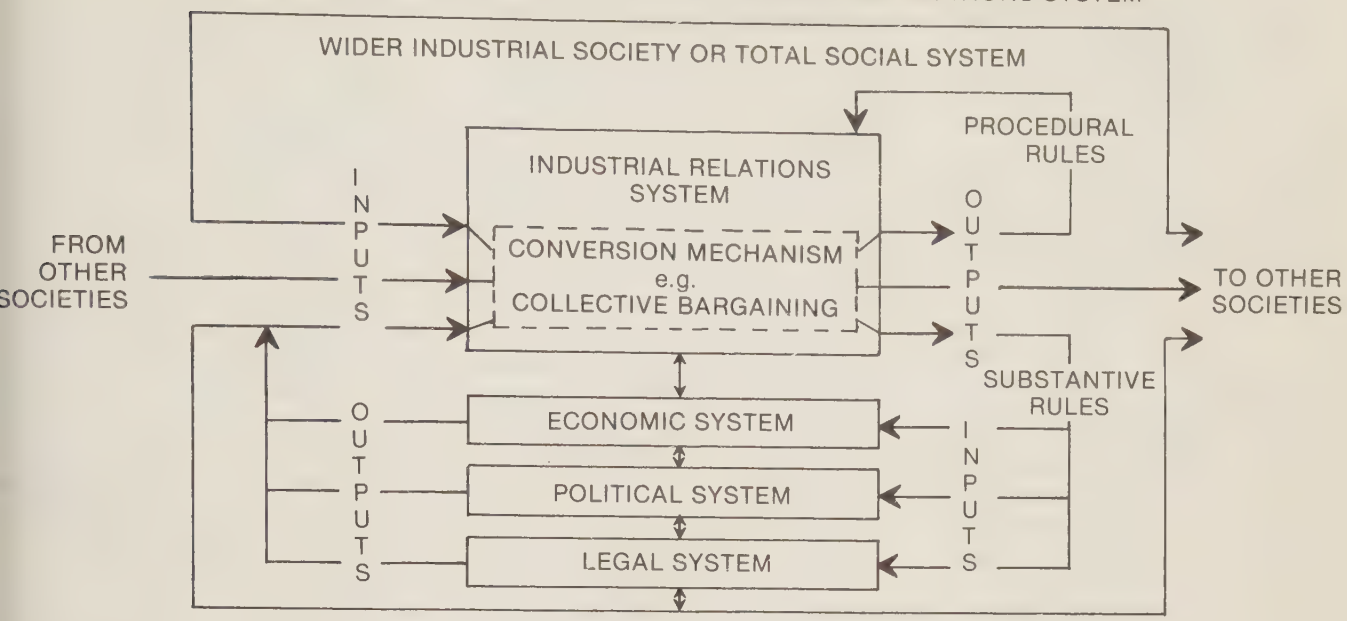
point an abstract view of industri relations as a *system* comprising three sets of actors, (workers and their organizations, employers an their organizations, and the state and its representatives), who are regarded as confronting an environment consisting of three interrelated contexts: the technology, the market and power rel tions in the larger community, an finally, the derived status of the actors. The actors are then assumed to interact within this context in the light of the prevailing ideology — where the latter is assumed to be a "commonly shared body of ideas and beliefs regarding the interaction and roles of the actors which helps to bind the system together." (Dunlop: *Industrial Relations Systems,* 1958)

Along with other distinct subsystems such as the economic system, the political system and the legal system, this *industrial relations system* is considered to be a subset of the wider industri society. Moreover, although each sub-system is considered to be analytically distinct, there is neve theless assumed to be some degree of interaction between them. Thus each system is seen producing a variety of "outputs" which in their turn become the "inputs" of other systems. Diagrammatically this may be represented as in Figure 1.

In terms of "outputs", every indu trial relations system — whether be at plant level, industry level, o national level — is seen as creating a complex of rules to govern the workplace. These rule

**FIGURE 1**

A SCHEMATIC REPRESENTATION OF THE INDUSTRIAL RELATIONS SYSTEM




may take a variety of forms in different systems. They may, for example, be expressed as formal or informal agreements, statutes, orders, decrees and regulations or simply as custom and practice. Moreover, they may serve different functions. They may be *procedural* in nature, which is to say they govern the industrial relations system *itself* by laying down the "rules of the game" to be followed during collective negotiations. Alternatively, they may be *substantive* in nature, and thus be an output of the industrial relations system in the sense that they serve to regulate behaviour in some other system. For example, substantive rules will be produced by the industrial relations system to govern employment practices, terms and conditions of work, or labour standards in the economic system.

This focus leads to a definition of industrial relations which views the *network* or *web of rules* of the workplace as the central phenomenon to be explained, and the central task of industrial relations theory then becomes "the explanation of why particular rules are established in particular industrial relations systems and how and why they change." (John Dunlop: *Industrial Relations Systems,* 1958)

This emphasis on rules performs the useful task of providing the subject with a degree of analytical unity and also makes it amenable to representation in the now fashionable form of a functional relationship. Thus, the rules of the industrial relations system — the dependent variable or phenomenon to be explained — may be viewed as determined by a series of independent variables where the latter comprise the actors, the technological context of the workplace, the market context, the power context, the status of the actors, and finally the ideology of the system.

***Human-relations theory fails to realize that work-group behaviour is shaped by other influences besides social skills***

This "systems theory" or "systems approach" has, in recent years, become the focal point of most academic writing in industrial relations theory. However, the approach is not without its critics. It has been emphasized, for example, that the mere specification of a functional relationship does not of itself imply the construction of a theory. All that is provided by such a conceptualization is an apparatus for classifying the factors which determine the rules of the industrial relations system. No systematic attempt is thereby made to show *how* the independent variables interact with one another to determine the dependent variable. Doubt therefore exists as to whether the systems approach can be construed as representing a theory at all in any meaningful sense.

Thus even though the approach highlights a comprehensive range of factors which should be taken into account in any explanation of industrial relations phenomena, and therefore helps guard against the pitfalls of partial analysis, it

nevertheless fails to generate any testable behavioural hypothesis relating to the casual significance of these variables. In short, by concentrating attention primarily on the *rules* of the industrial relations system, the systems approach fails to provide any insights into the process by which these rules are determined. Yet this process is just as intrinsically interesting as the rules themselves.

Moreover, this preoccupation with the operation of rules and procedures which regulate behaviour in industrial relations has other undesirable implications. It has, for example, served to focus inquiry on the area of conflict *resolution* rather than on the more fundamental issue of conflict generation. As a result, attention is directed more toward the *consequences* of conflict than toward its underlying causes — a tendency which is in close accord with the popular conception of industrial conflict as a largely destructive activity which is to be avoided at all costs. However, this is to ignore the possibility that industrial conflict may itself be a purposeful activity designed to achieve some significant change in the prevailing structure of industrial relations. As such, conflict and the factors underlying its generation are essential elements of any industrial relations system. As Hyman has observed: "If it is part of the definition of an industrial relations system that it contains built in tendencies toward equilibrium, and that radical conflict is excluded from the actors' ideologies, then it cannot be assumed that industrial relations in the real world constitutes a system at all" (Richard Hyman: *Industrial Relations*, 1975) Moreover, in a truly dynamic analysis the existence of contradictory and conflictual forces within the system must be explicitly acknowledged, for it is these very forces that are the engine of change.

***The systems approach fails to provide any insights into the process by which the rules of the industrial relations system are determined***

This brings us to another significant criticism of the systems approach, namely its assumptions concerning the nature and significance of the actors' ideologies. By ideology is meant the ideas and beliefs that are used by individuals to interpret and make sense of the world around them. These ideas and beliefs — standards of what is desirable and undesirable, legitimate and illegitimate — have a profound influence on social behaviour, and in consequence their impact on industrial relations is of immense significance. However, one of the major shortcomings of the systems approach is that its specification of the key variables of the industrial relations system excludes behavioural aspects such as individual motivations, perceptions and attitudes. Yet as one student of the field has aptly observed: "rules and decisions are products of the minds and emotions of men, they result from environmental changes only as these changes are registered in the minds and emotions." (Gerald Somers: *Bargaining Power and Industrial Relations Theory", Essays in Industrial Relations Theory,* 1969)

Thus, intimately bound up with the structural determinants of behaviour as elucidated by the systems approach is the question of how people *perceive* these determinants.

This point may seem an obvious one, yet despite this a significant amount of industrial relations research is still characterized by the unwitted projection of the values of the academic analyst into the work environment, rather than the acceptance of the behaviour and perceptions of workers as being rational in their own right. However, if industrial relations theory is to be useful in the formulation of policy it must recognize the importance of *workers'* perceptions of the work situation, for it is these perceptions that determine the pattern o real world industrial relations, not those of academics.

***Much research is characterize by the unwitting projection of the views of the academic analyst into the work environment***

Also of relevance in this connection is the high propensity among systems theorists to define industrial relations in terms of relationships between institutions and organizations rather than between people. This propensity, known as *reification*, may be defined as the treatment of abstract collective entities, which are themselves the creations of human activity, as the relevant objects of analysis in social relations — a tendency which serves to devalue the essential part played by human beings. However, managers, trade union representatives, rank-and-file members and public officials are first and foremost men and wome with ideas, beliefs and prejudices They are not simply "disembodie representatives" of organizational interests, and to treat them as such is to overlook an essential aspect of the process of industria relations.

Unions, in particular, cannot simply be treated as impersonal monolithic entities. They are stru tured organizations with a leader-

hip, officers and a rank and file, nd though the latter will undoubtdly have many common concerns ney will nevertheless also hold a vide variety of disparate attitudes epresenting a distillation of their espective experiences, values and ducational and social backrounds. Any analysis which takes s its starting point the formal instiutions of trade unionism and vhich implicitly assumes that the iews of the union as a whole can e automatically equated with hose of the leadership is in grave anger of losing sight of the undamental point that trade nions are primarily about the roblems and aspirations of *vorkers*.

ndeed, these problems and aspiraions may often find expression utside the formal channels of nionism. At times, workers may hoose to act individually rather han collectively because they iew the official union as irrelevant o their needs — a point that should be borne in mind by all hose who glibly suggest that if nly "unions", "management" and 'government" could get together n a tripartite forum many of our ndustrial relations problems would be solved. For unless such gatherings are perceived by workers to be serving their best nterests the result will simply be o channel unrest into alternative orms.

One final aspect of the systems approach that deserves some attention is the question of the deology of the industrial relations system as a whole. In the words of he systems theorists: "an indusrial relations system creates an deology for a commonly shared body of ideas and beliefs egarding the interaction and roles f the actors which helps to bind he system together." (Dunlop) Analytically this should be kept distinct from the ideologies of the ndividual actors which may or may not coincide with the ideology of the system as a whole. Indeed, it is the degree of congruence between these ideologies which largely determines the stability or otherwise of the industrial relations system, as well as the extent to which its operation is considered to be legitimate by the individual actors. However, this clearly begs the question of what the precise nature of this shared ideology might be, and in this connection it is instructive to review briefly the various perspectives that have informed popular as well as academic thinking on industrial relations.

### *Unions cannot simply be treated as monolithic entities*

The perspective that has probably had the most profound effect on conventional public attitudes toward industrial relations is that of unitarism. According to the unitary perspective, industrial organizations are appropriately viewed as teams striving collectively toward common objectives. Both management and workers (and, indeed, shareholders) are seen as having a basic harmony of interest in promoting the success of the enterprise. Accordingly, any apparent demonstration to the contrary in the form of overt industrial conflict is considered to be largely due to ignorance, irrationality, shortsightedness, an inability to grasp the basic laws of economics, or to the activities of "agitators" who create mischief out of nothing. Indeed it was just this view of the enterprise that informed the policy prescriptions of the human relations school as well as the anti-agitator policies of the auto firms that were briefly outlined above. Yet as we have seen, these policy prescriptions largely failed, not least because the experience of the average

### *The unitary view presents a vision of what industry ought to be like rather than a picture of what it is actually like*

worker in both the work environment and in the wider society constantly contradicted the notion of a basic unity of interests between managers and managed.

Indeed, against such a background, appeals to the notion of a community of interest are just as likely to accentuate cynicism and distrust among workers as they are to promote willing co-operation.

The unitary view, in short, largely represents a vision of what industry *ought* to be like rather than a picture of what it is *actually* like. Not surprisingly, therefore, the whole view of industrial organization embodied in this perspective — though still attracting a significant number of popular adherents — has long since been abandoned by academic writers as inconsistent with reality and useless for purposes of analysis. These writers have chosen instead to adopt a *pluralist* frame of reference which, in contrast to the unitary view of society, explicitly acknowledges the existence of divergent interests within industry. This fact notwithstanding, however, pluralists generally go on to assume that these divergencies are not so fundamental as to be irreconcilable, and that co-operation can be "engineered by structural adaption in work organization, work rules and work practices." Indeed, it is this very ideological stance that lies behind much of the thinking of the systems approach, and which is largely responsible for the latter's focus on the *resolution* of conflict and its corresponding preoccupation with the evolution of institutionalized "rules of the game" as

a means of mediating industrial strife.

Though the pluralist frame of reference clearly represents a more realistic view of industrial relations than that embodied in the unitary perspective, this should not be taken to imply that it is necessarily *universally* applicable to the world of Canadian industrial relations practice. Indeed, to illustrate this, one has simply to look at one "mediating institution" that has received a good deal of public attention recently, namely the system of collective bargaining.

This institution has been variously described by systems theorists as "the great social invention that has institutionalized industrial conflict" and "the social process that continually transforms disagreements into agreements in an orderly fashion." During the past few years, however, confidence in Canada's industrial relations system has been significantly eroded, with particular disaffection being voiced over the operation of the institution of collective bargaining, as well as over the so-called 'adversary system' on which it is deemed to be based. These feelings have been prompted not least by the increasingly pervasive impression that Canada is becoming accustomed to "consuming strikes with its cornflakes." Accordingly, it has become more and more apparent that, in contrast to the assumptions of the pluralist perspective, not all conflicts in industry are readily amenable to effective resolution via institutional devices such as collective bargaining.

This brings us to what may be described as the radical perspective on industrial relations, a perspective which views conflict not only as fundamental, but also as a potentially irreconcilable feature of industry as it is

***Many of the predictions derived from the radical view have some basis of fact in Canada***

presently structured. Moreover, it seeks to emphasize that this conflict stems from inequalities in the structure of power in modern society which are in turn reflected in the way work is organized. It stems, in short, from the treatment of labour as a commodity subject to the vagaries of the market; from the stunting consequences of the pursuit of efficiency via the extreme division of labour into routine and meaningless tasks; and from the emphasis on hierarchical and authoritarian control rather than on individual worker discretion. The inevitable consequence of such a system is seen as an increasing power struggle in the workplace — "a continuous process of pressure and counter-pressure, conflict and accommodation, which continually defines and redefines the frontier of control." (Hyman)

This perspective leads to a definition of industrial relations in terms of the study of "the process of control over work relations," a definition which seeks to divert attention from the existing preoccupation with rules and the institutions of job regulation and conflict mediation, and toward a fuller recognition of the central role of power and conflict.

The implication of this view of industrial society is that as workers become more aware of the alienating character of their work lives they will be driven increasingly to voice their dissatisfaction both on an individual basis (through absenteeism, high labour turnover, low morale and poor-quality workmanship) as well as on a collective basis (through strikes, work-to-rules, resistance to technological change, etc.) These developments, it is suggested, will put increasing strains upon mediating institutions such as collective bargaining, eventually causing them to break down with the result that the legitimacy of the existing rules and structure of the industrial relations system will be called into question. Moreover, the only solution is seen as a fundamental shift in the structure of power in society and a radical change in the nature of work itself.

Though one may be unwilling to accept the full implications of this radical analysis, there can be little doubt that many of the predictions derived from it already have some basis in fact here in Canada. Indeed the strains that the Canadian industrial relations system has been experiencing — several of which have already been alluded to — have put increasing pressure on both federal and provincial governments for some form of intervention. This clearly brings us face to face with the question of the appropriate form of policy, and begs the question of what insights, if any, can be gained in the light of our preceding theoretical discussion.

From our examination of the systems approach and brief review of the radical perspective on industrial relations it should be clear that if policy makers are looking for a comprehensive and generally accepted body of theory to guide their actions, they are likely to be disappointed. Quite simply the subject has not yet progressed that far, (in company, might be added, with most other branches of social science). This fact notwithstanding, our theoretical discussion is still capable of making some contribution by enabling policy makers and industrial relations practitioners to make more informed judgements in the policy sphere — if only by encouraging them to think about

roblems in a more systematic
ay. Moreover, by helping to place
urrent industrial relations
roblems in an historical as well
s in a correct economic and
ocial perspective, theory can also
ct as a guide to the likely conse-
uences of alternative courses of
ction.

n the first instance, it is essential
hat in establishing a diagnosis of
Canada's present industrial rela-
ions problems, attention be
irected toward *causes* rather than
symptoms, at the underlying
*ources* of conflict rather than
heir surface manifestations. In
erms of the schematic representa-
ion of the Canadian industrial
elations system presented in
Figure 2, the "perceived policy
problems" are simply the *manifes-
tations* of conflict whose source
may, in many instances, be traced
back to the nature of the Canadian
work environment itself. It is there-
fore to the latter area that atten-
tion should be directed in the
formulation of policy. However,

***Do present strains on the collective bargaining process lie primarily with the nature of work itself, with the nature of modern technology and society?***

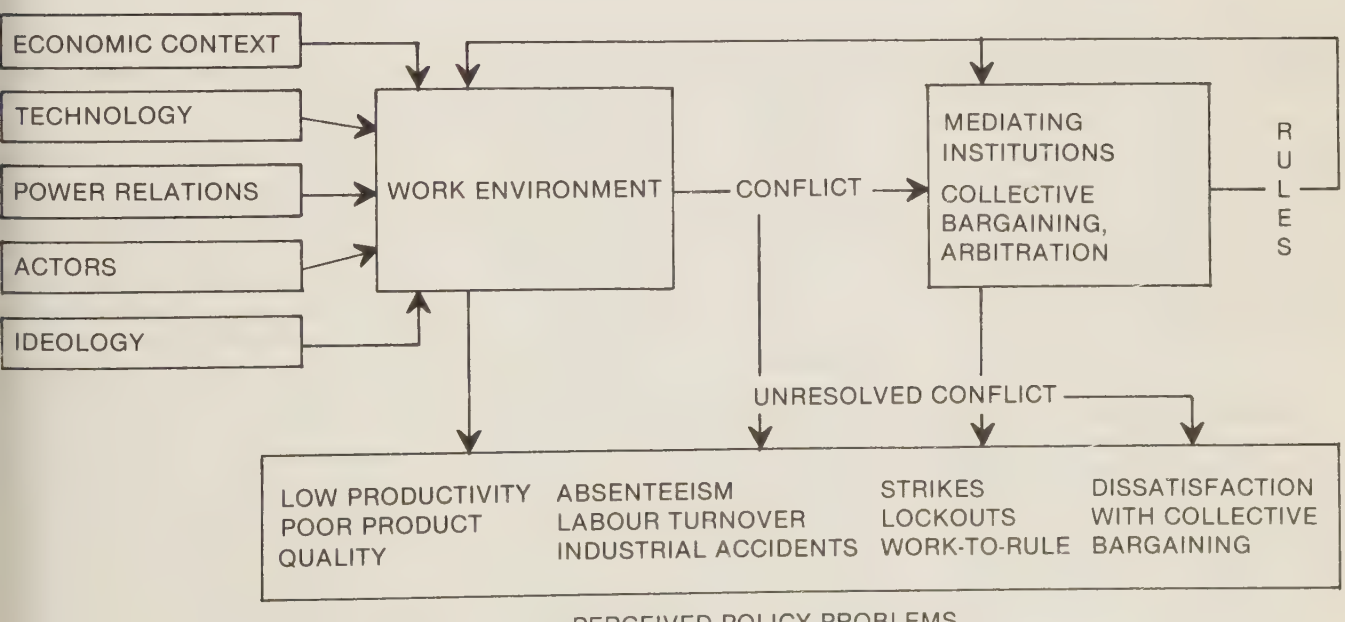
this is not to suggest that attention should not also be directed toward an examination of the functioning of mediating institutions such as collective bargaining, and attempts made to improve the efficiency of their operation.

Having established that the nature of the Canadian work environment requires close scrutiny, it follows that it is also essential that those factors that have affected it in a way that has served to contribute toward the recent escalation of industrial conflict should also be clearly identified. Accordingly, Figure 3 considers five factors, broadly derived from the systems approach, that are considered to be of particular significance, namely the economic context, the technology, the power relations, the actors (and their perceptions), and the prevailing ideology. In addition to a brief descriptive outline of the nature of the impact of each of these factors, the figure also presents their implications in terms of the type of industrial relations problems that are likely to be generated, as well as the types of policies that might be considered to tackle them.

In the light of our previous criticisms of the systems approach, however, care should be taken not to read too much into Figure 3 in relation to the design of an appropriate industrial relations policy for Canada. For while the figure rightly points to the fact that the roots of industrial conflict are to be traced to a variety of different sources — to factors such as inflation and concern over wage relativities, to the alienating character of the work environment, to resentment over subjection to hierarchical authority, to perceived

**FIGURE 2**

DEFINING THE PROBLEM: THE CANADIAN INDUSTRIAL RELATIONS SYSTEM




PERCEIVED POLICY PROBLEMS

FIGURE 3

| Factors Affecting Work Environment | Economic Context | Technology |
|---|---|---|
| **Nature of Impact (causal factors)** | High rate of inflation affecting workers' real incomes. Slow rate of economic growth providing less scope for improvements in standard of living. High unemployment and increased risk of redundancy. Operation of wage and price controls. Concern over wage relativities and 'fair' comparisons. | Emphasis on mass production technology. Extreme division of labour involving dehumanization of work through division into routine and meaningless tasks. Little room for individual discretion. Frequent lack of concern for worker health and safety. |
| **Implications (manifestations)** | Increased hostility generated during wage negotiations. Disputes become more protracted. Workers' wage expectations frequently frustrated. Increased uncertainty surrounding bargaining relationship. | Lack of worker involvement in work tasks. Alienation. High labour turnover, absenteeism, sickness and industrial injuries. Lack of pride in work leading to poor product quality, low productivity, poor morale etc. Workers increasingly seek satisfaction outside workplace and develop preoccupation with 'extrinsic' or material rewards. |
| **Policy Responses** | A variety of macro-economic anti-inflation policies. Wage and price controls (which may themselves cause worker hostility). Indexation. Measures to stimulate investment and employment on a macro-economic as well as a more selective basis. Improvement in information available to both sides of bargaining unit. | Introduction of various forms of industrial democracy, including quality of worklife experiments, worker participation etc. Recognition of human and social costs of mass production technology. Adequate health and safety legislation. |

inequalities in wealth, power and status — it nevertheless fails to provide any precise *quantitative* indication of their relative importance. Moreover, no analysis is given of the way in which the various casual factors interact. However, before adequate policy prescriptions can be formulated, detailed information of this type is required, and a host of important questions need to be answered.

For example, do the present strains on the collective bargaining process stem primarily from the effects of inflation and prevailing economic uncertainties as many economists suggest? Will they therefore largely resolve themselves if inflation is brought under control? Or does the problem lie primarily with the nature of work itself, with the nature of modern technology and society.

However, even providing a satisfactory answer to these questions merely serves to raise a host of others. What *forms* of technology are associated with increased conflict — are the problems largely confined to mass-production assembly-line techniques, or are they more widespread? Is it the nature of the technology per se that is significant or does the size of the plant in which the technology is employed have some bearing? Do all workers react to technology in the same way, or are problems confined to specific groups with identifiable characteristics — the young, the better educated, and so on.

All these questions, and more, need satisfactory answers if the design of industrial relations policy is to be well informed rather than merely impressionistic. The answer, perhaps predictably, lies in further research and more and better industrial relations scholarship. It is important, however, that this research should not merely "follow the headlines," for although it is the problems of the moment that generate the most public attention and therefore provide the greatest stimulus for political action and policy formula

| Power Relations and Status | Actors | Ideology |
|---|---|---|
| Workers subject to vagaries of the market with accompanying threat of redundancy and unemployment. Subjection to hierarchical authority. Unequal distribution of income and wealth. Ownership of means of production concentrated in a few hands. | Each individual brings to the workplace a distillation of his background, education etc. Many workers in low status jobs are socialized to accept the pay cheque as being of paramount importance with the consequent relegation of the quality of worklife to a second order of priority. However, attitudes toward work are subject to change with increasing demands for the scope to exercise personal discretion and for a sense of involvement in work. | Lack of congruence between unitary view of society frequently espoused by managers, politicians and media, ("If only workers could come to realize that everyone benefits from hard work and higher productivity"), and the everyday experience of workers in a society where they observe a host of inequalities.<br>Some workers beginning to question whether the system really serves their best interests. |
| Continued subjection to authority of others and treatment as a dispensable commodity rather than as a human being breed resentment and conflict. Recognition of individual powerlessness leads to formation of 'collective' institutions such as unions — attempts to promote countervailing power. Resentment over observed economic and social inequalities. | Preoccupation with pecuniary rewards, and resentment and conflict if they are not readily forthcoming. Academic discussion of improved quality of worklife frequently viewed with skepticism as a device for promoting compliance and undermining solidarity. However, changed attitudes about the role and value of work amongst some sections of workforce may generate conflict in face of dehumanizing low trust work environment. | Appeals to 'team' analogies may evoke hostility, resentment and suspicion amongst workers whose view of the structure of society is radically different. Policies informed by misguided ideological view of society may simply make problems more intractable. Legitimizing institutions such as collective bargaining may be subject to increasing strains. |
| Adequate unemployment insurance, retraining facilities and employment services. Unfair dismissal legislation. Recognition of essential role of trade unions. Extension of basic democratic rights to workplace in order to give workers some degree of genuine control over their work lives. Public ownership of means of production. | Recognition of importance of worker perceptions and factors that have contributed to them.<br>Avoidance of naive preoccupation with institutions.<br>Promotion of a genuine system of industrial democracy.<br>Improved facilities for worker education. | Recognition of realities of industrial life.<br>Genuine commitment to meeting needs of workers as desirable end in itself.<br>Educational programs. |

tion it must be emphasized that, as Somers has argued:

"Long-range research projects, based on carefully formulated theoretical propositions, will be more productive of useful policy recommendations when such recommendations are required than a tilting at the windmills of passing fancy. Usefully applied industrial relations cannot spring full blown out of a vacuum of desire to influence policy. It must stem from basic, long-term research into continuing industrial relations phenomena." (*Proceedings of the Industrial Relations Research Association,* 1962)

This implies an on-going commitment to long-term research into what has been termed the 'great central concerns' of industrial relations — the theory of the labour movement, the theory of collective bargaining, the theory of industrial conflict, the theory of wage determination and the theory of participation and industrial democracy.

Equally, however, there can be little doubt that if both industrial relations theory and industrial relations policy are to progress satisfactorily, they must develop together, each informing the other in a continuous process.

Whether this course is a realistic prospect is a matter for conjecture. However, some encouragement may perhaps be derived from A.N. Whitehead's observation:

"All the world over and at all times there have been practical men absorbed in irreducible and stubborn facts; all the world over and at all times there have been men of philosophical temperament who have been absorbed in the weaving of general principles. It is the union of passionate interest in the detailed facts with equal devotion to abstract generalization which forms the novelty of our present society."

It should be added that we must be constantly vigilant to ensure that this novelty does not wear off. lg

# The case against 'right-to-work' laws

**by Ed Finn**

One aspect of the American labour relations system that has never been imported into Canada — for which the unions here give thanks! — is right-to-work legislation.

The term "right to work" used in this context is misleading, for it has nothing to do with guaranteed employment. It is a euphemism for the prohibition of basic union security measures, such as the union shop and closed shop, which make union membership a condition of employment.

Those employers who espouse right-to-work laws profess to be motivated by a concern for the worker's freedom. He shouldn't have to join a union if he doesn't want to, they argue. The fact that they can pay a non-union worker considerably lower wages, of course, has nothing to do with their efforts to ban union security clauses in collective agreements. They have only the worker's interests at heart. Or so they would have us believe.

Right-to-work legislation has been plaguing unions in the United States for the past 30 years, ever since the Taft-Hartley amendments to that country's Labor Relations Act empowered individual states to outlaw the union shop.

Since 1947, 25 states have enacted right-to-work laws, with five having subsequently repealed them. The 20 who retain such laws (most of them in the Deep South) are predominantly agricultural, with relatively small and weak unions, and comparatively low wage levels. Annual U.S. Labor Department statistics consistently show most of the right-to-work states lagging well behind the others in per capita income, but — by a strange coincidence — forging ahead in the size of corporate profits.

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While Canadian unions have taken a mild interest in this peculiarly American display of anti-unionism, they haven't — until recently — felt any anxiety over it. No right-to-work laws were on Canadian statute books, and none were being contemplated by any government. The few exponents of such legislation had little influence or lobbying power.

Within the past year, however, the Canadian labour movement has become alarmed by the mounting support for right-to-work laws, and the pressure for their enactment in Canada. It may be only another symptom of the country's growing anti-labour mood, as reflected in recent public opinion polls, but it is a threat the unions can no longer afford to ignore.

The Canadian Construction Association is pushing for right-to-work laws to apply to the building of the proposed northern oil and gas pipeline. The CCA's excuse is that it wants to hire native Northwest Territory workers instead of the unionized construction workers in the south.

***The term "right to work" is intentionally deceptive***

The fact that native northerners, if employed, would be paid at rates well below union scales, thus increasing the companies' profits, is not being emphasized by the CCA in its lobbying efforts.

Ron Lang, research director of the Canadian Labour Congress, accuses the CCA of exploiting "an explosive political situation" by promoting right-to-work laws as a solution to native hiring. But he points out that such laws do not guarantee work for any individuals or groups, nor do they compel employers to offer anyone a job or to pay decent wages.

"The term right-to-work is intentionally deceptive," says Lang. "It implies the right to a job, but its only purpose is the destruction of union security — not just the closed and union shops, but the maintenance-of-membership clauses, and even the Rand Formula provision requiring employees to support the union through a dues checkoff."

The impact of such legislation in the North, he argues, would mean in practice the payment of non-union wages — not only in the construction of the pipeline, but in all other construction and industrial development.

"In a region which already suffers the highest cost of living in the country," says Lang, "it will bring the lowest level of income, and thus the lowest standard of living. Those who advocate right-to-work

laws as a means of protecting residents of the Northwest Territories are, in reality, proposing to create a captive work force for the employers."

Nor would there be any assurance that northern people would in fact be hired. They need to be trained in the various aspects of construction work, and the construction companies would have to establish full-time offices for such training and hiring. Otherwise, most of the hiring will continue to take place outside the Territories.

In the case of the pipeline, that would only mean a primarily non-union southern work force would replace a primarily unionized southern work force.

***There is mounting support for right-to-work laws in Canada, and pressure for their enactment***

The North is not the only place where employers' organizations are applying pressure for right-to-work amendments to existing labour codes. In Alberta, the annual convention of the governing Conservative party last spring endorsed a thinly-disguised right-to-work resolution. The province's New Democratic Party leader, Grant Notley, denounced the resolution as "an attack on the rights of working people." NDP provincial secretary Ray Martin said that "such an obvious declaration of war against the labour movement is staggering," and union leaders in Alberta called it "shocking" and "frightening."

Martin added: "The American experience with legislation designed to outlaw union shops has shown that one thing, and one thing alone, is accomplished — workers' wages drop far below those paid in areas where such legislation does not exist."

It is in British Columbia, however, that the strongest campaign for right-to-work laws seems to be building up. The province's powerful Independent Contractors and Businessmen's Association is leading the drive, assisted by (among other employers' groups) the Union of B.C. Municipalities.

B.C.'s Social Credit government has so far resisted the pressure, but openly admits that the idea is favoured by many of its caucus members.

The B.C. Federation of Labour was sufficiently alarmed to pass a strongly worded resolution at its last convention calling right-to-work legislation "a passport to poverty," and roundly condemning what the federation described as "a carefully orchestrated campaign against the union shop in this province."

Says the federation's secretary-treasurer, Len Guy: "An attack on the union shop is an attack on the right of unions to exist. It is also a threat to the basic principle of majority rule."

He notes that the American states that have adopted right-to-work laws are the same ones that champion "the law of the individual" as an alternative to the democratic process.

"If you enshrine in law the concept that the will of the majority means nothing if the individual disagrees," Guy argues, "you foster the attitude that democracy and majority rule are worthless. If the individual worker is legally enabled to disregard the decision of a majority of his co-workers to have a union, then it is only an extension of that concept to decide against paying taxes or conforming to any other law or policy that civilized society adopts.

***Employers who espouse right-to-work laws claim they have only the workers' interests at heart***

"The John Wayne old-west philosophy may be fine for entertainment, but as a basis for running a country it's a formula for chaos and anarchy."

On behalf of the federation, Guy presented a brief to B.C.'s minister of labour, Allan Williams, warning that the adoption of right-to-work laws would "create chaos in industrial relations."

"They would also make strike-breaking easier," the brief asserted. "They would result in lower wages, poorer working conditions, and a lower standard of living for British Columbians. They would increase the profits of a few greedy businessmen, in the short run, at the expense of everyone else."

Williams was one of the few socred cabinet ministers who spoke against the enactment of right-to-work laws at the last B.C. Social Credit convention, and Guy commended him for it. But he added that the federation "will not hesitate to do all in its power to prevent any attempt to impose these laws by your government or any future government."

A version of right-to-work legislation came before Parliament last June in the form of a private member's bill introduced by Conservative MP Frank Oberle, who represents the B.C. riding of Prince George - Peace River. As usually happens with private members' bills, his proposal to prohibit union security and dues

checkoff clauses in collective agreements was talked out. It was, in fact, opposed by the labour critic of his own party, fellow B.C. MP John Fraser, as well as by the NDP and Liberal party spokesmen.

Fraser, however, pointedly warned that the introduction of such a bill signified that "many people are demanding this kind of legislation," in the mistaken belief that unions are lacking in internal democracy.

In introducing his bill, Oberle trotted out all the anti-union arguments used by right-to-work proponents. The union shop, he said, "is a denial of individual rights and freedoms. (It gives) union bureaucrats...an enormous amount of power over the rank-and-file members...Right-to-work legislation in the U.S. has actually increased union membership...It does not infringe upon the democratic process."

***This article is written with a clear bias against right-to-work laws***

Liberal Robert Daudlin (Kent-Essex) said he couldn't swallow Oberle's "candy pill." He said that the Canada Labour Code, in providing for the negotiation of union security clauses, is being permissive, not mandatory.

"It would seem to me," he added, "that workers should have the right, first of all, to join a union, and then to negotiate with employers a situation in which they are the only source of labour. I see nothing wrong with that, provided it is not imposed."

Daudlin recounted the origin of the Rand Formula, which was devised by the late Justice Ivan C. Rand as one of the conditions for settling

***"Right-to-work laws...would reduce workers' incomes and ultimately impoverish the country's working class"***

an historic strike against the Ford Motor Co. in Windsor. It provided for compulsory checkoff of union dues — even from the minority of workers who didn't want to join the union — on the basis that all who benefit from the union should contribute financially to its operation.

"If we adopted the honourable member's bill," he said, "we would be throwing this principle out, allowing employees who receive all the benefits negotiated by a union to pay nothing for them. I think that would be both inequitable and unfair and would be a regressive step..."

After the NDP's Stanley Knowles also denounced Oberle's bill as "regressive" and "revealing a complete lack of understanding of how trade unions operate," Fraser stated his reasons for disagreeing with his colleague.

"I cannot support the bill for several reasons," he declared. "First of all, in the vast majority of unions in this country democracy functions, and it functions well. Secondly, if right-to-work laws were enacted, they would be taken as an attack on union security by every trade unionist in the country.

"I can assure honourable members," said Fraser, "that the 3.2 million union members in this country and their families do not consider themselves undemocratic or somehow alien to the civil traditions of our society."

Like most issues involving unions, the right-to-work controversy tends to evoke strong feelings on both sides, with debate often generating more heat than light. Objectivity is difficult to achieve. This article is written with a clear bias against right-to-work laws, a bias shared by all union officials, and cannot pretend to fairly represent the affirmative side of the discussion.

It may be instructive, then, to examine an article on the subject by an objective observer, Jerry Meadows, featured in a recent issue of the B.C. Ministry of Labour's official publication, *Labour Research Bulletin*. Meadows lists in detail both the pro and anti right-to-work arguments, looks at the U.S. experience, and only then draws his conclusions.

In summary, here are the major pro and con arguments listed in the article:

*Pro:* Compulsory union membership violates an individual's freedom, namely the right *not* to belong to a union.

*Anti:* Majority rule applies in all other democratic situations, why not in union membership? Employers' defence of "freedom" in this case is merely an attempt to weaken the union.

*Pro:* Unions don't deserve to be stronger than voluntary support will sustain. Management shouldn't have to compel employees to finance a union against their will.

*Anti:* Once a union is certified for a group of workers, it is compelled by law to represent all of them, even those who refuse to join the union. All workers are thus beneficiaries of the union's collective bargaining and grievance-handling services. They should therefore pay their fair share of the union's

operating costs, even if they don't want to become members.

*Pro:* Unions should not have an automatic guarantee of workers' support, but should constantly be vying for their loyalty — and earning it. The threat of withdrawal of membership is a needed goad to satisfactory union performance.

*Anti:* Labour laws already provide for the decertification of a union at the desire of a majority of its members, and also for its replacement by another union through the legal and permissible raiding periods.

***The controversy evokes strong feelings on both sides...Objectivity is difficult to achieve***

*Pro:* Right-to-work laws will help spur economic growth in a region by providing assurance of a stable labour force.

*Anti:* Such laws, by weakening or destroying unions may make profiteering much easier, but by lowering wage and salary levels they also impose upon working people and their families a much lower standard of living.

Looking at the U.S. experience, Meadows cites statistics showing that states without right-to-work laws enjoy "substantially higher averages" for each of four economic factors — per capita income, weekly wages in manufacturing, maximum unemployment insurance benefits, and minimum wage level — than do states that have adopted such laws.

Although the right-to-work states have only slightly more than half as many workers unionized as the other states, their rate of strikes and other forms of industrial conflict was almost as high. One U.S. study quoted by Meadows concluded flatly that "the existence or non-existence of a right-to-work law does not, to any significant degree, affect levels of industrial conflict."

***...The push for right-to-work laws is coming exclusively from business...***

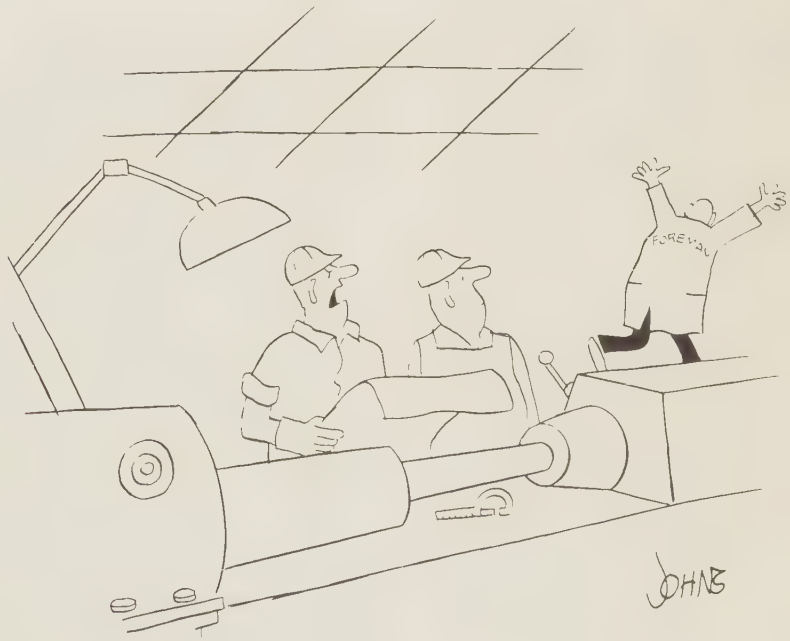
Noting that the push for right-to-work laws is coming exclusively from business and employer groups, Meadows says in conclusion: "A right-to-work movement seemingly ought to emanate from that sector of society most affected (namely workers). As long as it is primarily others, with interests somewhat divergent from those of workers, who most ardently espouse the right-to-work cause, one should remain skeptical of what it bodes for a mature, harmonious industrial relations climate.

"While right-to-work laws may in part be intended to reduce labour militancy, the threat of the introduction of such regulations has often had a pronounced opposite effect."

Meadows' views, though expressed much more politely, echo those of most Canadian union officials.

Says the CLC's Lang: "Right-to-work laws would violate the principle of majority rule, create a class of free-loaders, undermine the collective bargaining process, weaken and perhaps even destroy unions, drastically reduce workers' incomes, and ultimately impoverish the country's working class."

Feeling as strongly as that, Canadian unionists can be expected to muster all their resources against any move by the federal or provincial governments to import American right-to-work laws from the Deep South to the Far North. lg




"BOY! HE SURE MAKES A FUSS OVER ONE LITTLE DECIMAL POINT"

# Worker participation — some views from Quebec

**by Pierre Vennat**

If worker participation is to become a normal part of Canadian industrial relations, it must be according to a Canadian-made formula and not one imported from abroad. Moreover, that formula must take into account the Canadian system of adversary collective bargaining.

Whatever differences may exist in Quebec on the subject among academics, unionists and managers, a consensus does appear to be developing at least around those points. That consensus is emerging in many forums, among them the industrial relations conference at Laval University last spring.

And Bernard Solasse, a sociologist at Laval University, holds that worker participation is such an urgent need that if at least a minimum consensus is not reached on making it a reality, it will be imposed by government, as has already been done in dealing with inflation.

Here is how Professor Solasse develops that thesis: Canada, like every other society, is faced with major decisions affecting its future, whether on energy and agricultural policies, the exploitation of raw materials, space management, urban development, or the preservation of the natural environment or renewable and non-renewable resources. Nothing constructive can be achieved in these areas without a minimum consensus among the various organized groups. For although

*Pierre Vennat is a labour affairs reporter for* La Presse

they are not evenly matched in power or influence, even the least powerful of them is capable of compromising the success of any given policy that may be adopted.

To Solasse, this is why governments consider a quest for true consensus to be of paramount importance and why, in Ottawa and Quebec City, the concept of participation is now in vogue generally and not solely in the field of industrial relations. Governments are attempting to achieve a social contract in all areas.

This, he holds, would enable Ottawa to develop Canada along federal lines and Quebec City to attain independence through peaceful means. And thus he feels that it is at the national level, where overall policies are concerned, that the question of participation is most relevant.

Hence, Solasse says, unions should think twice about what their strategy should be, at least inasmuch as they want to change the system. Obviously, to participate is to commit oneself, to become involved, even if only by listening to what others have to say. But not to participate at all is to isolate oneself, to withdraw into one's shell, to carry on the revolution from day to day but without venturing outside the central labour body. Here, again, strategy is involved. To Solasse, in view of the prevailing conflicts of interest and of class, the only possible solution is what he terms a "conflictual" form of participation, granted, this would lead only to temporary truces over limited territory. But truces, he argues, can provide an opportunity for a certain degree of progress.

***There is a consensus that the participation formula must be developed in Canada and take collective bargaining into account***

In short, Solasse is concerned less about whether forms, levels or areas of participation are discussed, but more about the urgency of the questions to be resolved.

Another Laval academic, Professor Laurent Bélanger, is very much concerned with the form of participation, however. He says none of the forms of co-management now established in some European countries can be successfully transplanted to North America, where collective bargaining is the pre-eminent form of participation.

As for a management view, Ghislain Dufour, executive vice-president of the Quebec Employers' Council, has made it clear that employers refuse to accept imported structures, particularly the German form of co-determination. Since managers

have the upper hand, it is pointless to discuss that form of participation if they don't want it.

According to Dufour, the very principle of co-determination is contrary to other principles that Canadian employers are not prepared to abandon — including the rights of ownership, management rights, and a company's need to maintain its adaptability in a market economy.

Dufour has made it clear that employers oppose formulas imposed through general legislation. For example, the Council opposes the program of the Parti Québécois, which advocates state intervention with a view to encouraging, in law and in fact, the development of democratic forms of management designed to give workers partial or complete control over the operations of their employer, through formulas that would vary from sector to sector of the economy.

In short, employers are willing to consent only to individual experiments in participation, instituted in specific enterprises, and wrung out of collective agreements.

In future, therefore, collective agreements may continue to play a fundamental role in the transformation of economic structures, with the participation of, and according to the specific needs of, all the groups involved. One condition must be met, however: We must, as a collectivity, avoid the temptation to seek all-encompassing solutions.

Nevertheless, Jacques Couture, Quebec's former minister of labour and manpower, launched a search for just such solutions. As part of its long-term program, the PQ proposes to give labour organizations access to company information and to involve them in the

***If a minimum consensus is not reached on making participation a reality, it will be imposed by government***

decision-making process in both company operations and in the government's social and economic policies. This is quite an explicit statement of intent. It is specifically proposed that, in each sector, the actual application of legislation governing working conditions be entrusted to tripartite committees representing union, management and government.

There are three objectives in the labour relations field which Couture felt to be especially indicative of the orientation favoured by the PQ program: the promotion of democratic forms of management, the gradual implementation of this democratization, and the provision of the services of specialists, paid by the government.

In the short term, the Quebec department of labour intends to concentrate its efforts more particularly on drafting a bill on minimum working conditions. It will constitute a sort of basic contract for all Quebec wage earners and provide a framework for the protection of non-unionized workers and all employees who do not yet enjoy the working conditions it outlines. It will contain provisions on wages, hours of work, overtime, meal and rest periods, paid holidays, maternity leave, vacation leave, the length of notice of dismissal and other basic matters.

Within the framework of the bill, the department is also studying the possibility of providing for the establishment of in-plant committees whose sole responsibility would be to supervise the future legislation.

In the longer term, the government is reportedly on the lookout for new methods and new forms of worker participation that might improve the climate of labour relations in the province and, above all, enable the workers to find a true sense of purpose in their work and some form of commitment to the life of their community.

Co-determination ventures already do exist in Quebec, of course, and no discussions of worker participation would be complete without a look at them, particularly the widely known examples of Tembec and Tricofil.

***The very principle of co-determination is contrary to other principles that Canadian employers are not prepared to abandon***

Jean-Guy Frenette, the Quebec Federation of Labour's economist, who was closely involved in the Tricofil project, holds out this gloomy prognosis: At the present time, a worker experiment in production such as that at Tricofil represents too great a risk, and he feels that it is "humanly impossible" for other employees to follow the path taken by the Tricofil workers. For the Tricofil employees had to break new ground in the past and are still finding themselves obliged to do so. Frenette says that only an exceptional group of workers could confront so many obstacles and so much opposition without abandoning their aspirations to create profitable employment for themselves over which they would have full control.

Frenette explains that, in manage-

ment and government circles in Quebec, the concept of worker participation has never passed beyond the state of serious study. Even though people profess not to be opposed to this type of experiment, he points out, no pragmatic approaches or permanent support mechanisms have ever been made available to workers to enable them to build a new work environment — except in the case of the government intervention at Tricofil last January.

Frenette feels that these "isolated and uninspired" interventions would always remain marginal solutions in the light of the need to redefine the role and status of the worker in his work environment as well as of the meaning and value of work in our society.

Guy Saint-Pierre, the former provincial minister of industry and commerce, maintains, however, that the Tricofil undertaking is a viable one — that is, if viability has anything to do with continuity and longevity.

Saint-Pierre does not see the imposition of an "inflexible political will," or a study commission or a crash operation as possible solutions. He says that in Quebec, as in any other jurisdiction, legislation provides a frame of reference which can be implemented only after a change has been wrought in mentality, behaviour and attitudes. Here, again, we must resist the temptation to assume that structural changes necessarily bring about radical changes in man.

Saint-Pierre maintains that participation, to be successful, must originate and be experienced at the grass-roots level; it cannot

***To be successful, participation must originate and be experienced at the grass-roots level.***

be imposed from above. To him, it is useless to contemplate including union members on boards of directors if the problems inherent in participation have not been understood and "lived" at the shop-floor level.

Saint-Pierre also believes that it cannot be taken for granted that workers in general want participation. Articles published in *La Presse* on the classic examples of Cabano, Tembec and others show quite clearly that the desire to develop or maintain job-creating economic activities far outweighs any ideological considerations.

The record of participation in the public sector is hardly more impressive, according to Paul Pleau, a recognized expert in the field. He holds that it will not be possible, in the foreseeable future, to develop participation in the public sector into any system outside of collective bargaining. To have true participation, he believes it would be necessary to overcome a number of obstacles, such as ideological differences between management and unions, the multiplicity of unions, and the definition and acceptance of the social contract. Not only must these constraints be eliminated, but the parties would have to believe in the end to be pursued and in the existence of a community of interests.

How will the debate on participation end? I have come to agree with Professor Gilles Laflamme of Laval's department of industrial relations who says that it is becoming increasingly clear that employers will not be able to maintain an inflexible stand with respect to management rights much longer, and that they will have to accept a widening of the scope of bargaining. He also maintains that, whether or not managers approve, workers want to have a voice in the personnel and economic policies of the company for which they work, since such policies directly affect their future working lives.

***The unions are increasingly fearful of being integrated and assimilated into a system they reject***

Laflamme believes that participation through collective bargaining and the adversary system is the only valid form of participation in society where unions are increasingly fearful of being integrated and assimilated into a system they reject.

This form of participation is not a negation of worker action nor does it imply the rejection of strikes as the ultimate means of reaching satisfactory settlements; rather, it reflects a desire to defend the interests of workers. New concerns raised by industrial development will necessitate a review of bargaining structures. If an acceptable level of worker involvement is to be maintained as part of the bargaining process, however, the establishment or the company will have to remain the preferred centre of union activity.

# Pensions for Canadian workers

*In the following article, federal Labour Minister* **John Munro** *discusses the issue of private pensions.*

*As part of Labour Canada's 14-point program to improve the work environment, officials of the Department are participating in an inter-departmental task force on pension coverage. One of their objectives is to improve government policies on pension rights and benefits so as to reduce the friction caused by this issue at the bargaining table, as well as reducing the anxiety which many Canadians experience in contemplating their retirement income.*

Few social issues are more widely discussed and debated than pensions. During the past few years we have seen the introduction of the Canada and Quebec Pension Plans, the expansion of the old age security system and growth and improvement in private pensions. We have also introduced the Registered Retirement Savings Plan, as an alternative or a supplement to other pension arrangements.

We all want to see retired citizens living in security, dignity and comfort. What concerns us is whether the public and private pension systems as they now exist can do the job we expect of them — and at a price individual Canadians, employers, and governments can afford.

Before discussing pension plans from a federal perspective, perhaps I should remind you that as Minister of Labour I have no ministerial responsibilities for either the public or the private pension systems. At the same time, pension issues have a direct bearing on the responsibilities of my department.

It is customary for pension professionals to refer to pensions as being part of the "income replacement system." Workers and trade unions are more down-to-earth. They regard pensions as deferred wages — wages which they are prepared to forego in the present for payment after retirement. While there has been considerable growth and development in private pension plans in the last two decades, approximately 42 per cent of all paid workers with full-time attachment to the labour force have no private pension plan coverage. This fact can only point to a source of considerable disparity in retirement incomes.

From 1970 to 1974, membership in private pension plans almost doubled to reach a level of 3.4 million persons. When comparisons are made between industries, however, there are great differences in coverage. The proportions of paid workers in pension plans range from about 1 per cent in agriculture and forestry and 6 per cent in trade to about 98 per cent in public administration at all three levels of government service. Public sector employees represent nearly 50 per cent of all Canadians with private pension plan coverage.

The greatest growth in membership has occurred in the construction industry where the development of several multi-employer plans has increased coverage from 23 per cent to 44 per cent in the five-year period ending in 1974. As a result, the number of construction workers in private plans more than doubled in five years from 107,000 to 235,000.

There is also a great deal of disparity between the low-paid and those at higher income levels. Among those earning between $3,000 and $6,000 in 1974, less than one third were covered by private pension plans. But in the $20,000 to $25,000 income range, some 60 per cent of wage and salary earners were members of a private plan.

My department has been closely involved with pensions as an issue in collective bargaining — particularly with the railway pension plans. Some of our most difficult problems have occurred where labour and management disagreed over the cost of certain pension improvements.

As an example, during labour negotiations in the summer of 1973 there had been agreement between the unions and the companies over the actual pension improvements to be made but a dispute arose over the costs of some of them. Until this was settled there could be no agreement on the other money issues being discussed. Partly because of this disagreement over pension costs, the unions ordered selective railway strikes across the country.

To try to resolve the pension

dispute I appointed Dr. John Deutsch of Queen's University as a Commissioner of Inquiry to make an independent assessment of the costs of the pension improvements. His cost estimates were used in the final settlement and played an important part in bringing the round of bargaining to a solution.

Since then it has again been necessary to appoint a Commissioner of Inquiry to examine railway pension plans. For some time there has been a growing feeling among railway employees that the interests of pensioners were not being well represented in the collective bargaining process.

Strong pressure has been building for automatic cost-of-living adjustment to pensions. Some employees feel they should have more responsibility in the trusteeship and administration of their plans and there are still widespread misunderstandings about the funding practices and operations of the pension plans.

I realized that before the next round of negotiations we needed a full, independent examination of the railway pension plans that would set out the facts and clear up some of the misunderstandings.

In July 1974 I asked Dr. Noel Hall of the University of British Columbia to examine all aspects of the railway pension plans. During the course of the inquiry, regional hearings were held at 15 locations across Canada. Briefs were presented by unions, individuals and groups representing employees and pensioners. The main concern expressed in almost all the briefs was the erosion of pension benefits as the result of inflation.

The Commission of Inquiry is now completed and both the unions and the companies are studying Dr. Hall's findings. He has made several recommendations that would bring benefits under the two major railway pension plans more in line with each other.

Some of the most contentious issues deal with the cost of making post-retirement increases to pensions. The report suggests several alternative schemes for indexing and partial indexing. The most interesting one is what Dr. Hall calls a "Heritage Fund" in which the employer and employees would each contribute one half of one per cent of payroll to provide full cost-of-living adjustments to current pensioners and survivors.

The report also explores "delayed indexing" where the pensioner absorbs the first 25 or 30 per cent loss in purchasing power before any adjustment is made to his pension. After that point, the pension is fully indexed to future changes in the cost of living.

We are looking for ways of improving the industrial relations climate through increased co-operation between the parties.

In the past few years there has been quite a lot of interest in the idea of joint participation by labour and management in corporate decision making. In Canada, we probably will never see the adoption of European models of co-determination, but I personally am hopeful that we will soon work out mechanisms for joint participation in areas such as safety and health and the quality of working life.

Along these lines we are looking at the case for joint employer-employee trusteeship of private pension plans. If it brings about a greater understanding between th parties, perhaps it should be promoted as a way of reducing confrontation over pension issues at the bargaining table. I would be grateful if you would send me the details of any experience in joint trusteeship.

Labour Canada has another involvement in programs somewhat similar to pensions. Some years ago the government developed a system of loans and other financial assistance to industries affected by tariff reductions agreed to under the "Kennedy Round" of multilateral tariff negotiations. Assistance is made available to the textile and clothing industry and the footwear and tanning industry and is designed to speed up modernization and adjustment of individual firms so as to improve their competitive position at home and abroad.

While most workers displaced by modernization can be assisted to new employment through existing manpower programs, we found special problems in the case of certain older workers, particularly those with obsolete skills and low educational levels.

To assist these older workers my department designed Adjustment Assistance Benefit Programs to guarantee a basic level of income from the time their unemployment insurance benefits expire until age 65, when social insurance and social security benefits start. These benefits are available only where layoffs are certified as being caused by the government's strategies for these industries.

The programs guarantee pre-retirement benefits to employees between 54 and 65 years of age at the date of layoff. A qualified employee must have had at least

**"I hope he's a wineo. I can't afford the price of a cup of coffee."**

10 years in the industry within the 15 years before the layoff and must be certified by the Department of Manpower and Immigration as having no reasonable prospect of employment or as having accepted employment at less than his former average weekly earnings.

The amount of the benefit is two thirds of former average weekly earnings up to maximum this year of $147. Benefits are reduced by $2 for every $3 of earnings or pension income.

A fairly small proportion of these older laid-off employees have needed pre-retirement benefits. Since the beginning of the program almost six years ago about 400 persons have qualified for benefits.

Quite apart from the assistance the program has given to displaced older workers, the Adjustment Assistance Benefits Programs have reduced the fears of labour union and workers toward the restructuring of their industries and have helped obtain the support of the labour movement for policies directed toward freer trade.

You are probably aware of the major examination that is being made of the private and public pension systems under the initiative of my colleagues Donald Macdonald and Marc Lalonde. For the past year officials of my department have been participating and private consultants, professional associations and academics have given guidance and assistance to the study.

The objective is to examine the present system in detail to determine what policy changes should be made both in the regulation of private pensions and in the public system. The fact-finding part of the study is in its final stages.

Following this, I expect a period of public discussion where contributions from experts such as yourselves will be invaluable in the search for new directions in pension policies. It will be some time before we know what the balance will be between the public and private systems. There are, however, some general comments I would like to make on pension issues.

We all recognize that the private pension system is a vitally important source of investment capital. During the period 1971 to 1975, personal savings in private plans amounted to over $13 billion. This was equivalent to almost 36 per cent of total net personal savings over the same period.

Savings in registered retirement savings plans amounted to another $4.6 billion, representing another 12 per cent of net personal savings. There is no doubt that saving for retirement is one of the main reasons for personal savings.

Therefore, any change in Canadian pension policies which would affect the need for individuals to save for their retirement deserves careful attention for its possible effects on the overall savings rate within the economy. It is of the greatest importance to our future that we continue to encourage savings for housing, retirement and investment in industry.

*The restructuring of world production and trade will continue to challenge the efficiency of Canadian industry and its ability to*

*meet changing conditions. Similarly, Canadian workers will be challenged to upgrade and widen their range of skills.*

We must create a labour environment which facilitates mobility from one firm to another and even from one industry to another. This is going to place demands on the private pension system to become more flexible and responsive to the needs of a mobile labour force. We must make it possible for Canadians to accumulate pension credits throughout working lives that are typically spent with several employers. Ideally, our pension plans should in no way inhibit free movement from one employer to another.

This is one of the most difficult problems facing the private pension system and one of the primary determinants of the place that private pensions will have in providing for retirement in future.

It may be that we should give a more important place to pension plans of the defined contribution or "money purchase" type where, generally speaking, the accumulation of pension rights is unaffected by movement from one employer to another.

An alternative would be a new type of permanent registered retirement account that would allow tax exempt contributions from the employer as well as from the individual, and could be supported by each employer throughout even the most varied working life.

But however it is done, some way must be found of improving the flexibility of private pensions in a mobile work force.

Private pensions are undergoing other stresses and strains, many of which are shared by the public pension schemes.

Inflation has had a tremendous impact on all pension plans. While retired workers have been faced with erosion in the value of their pensions, much of the deficiency has been made up by improvements in old age security, the guaranteed income supplement and the provincial supplements. However, many employers have felt a responsibility to make some post-retirement adjustments.

It is the cost of these adjustments and this new obligation thrown upon employers that have placed private pension plans in a new focus, and this is one of the issues being examined in the current study of our public and private systems.

I am confident that by working together we can find the proper balance between the public and private systems for the years ahead.

I believe that the retirement income system that covers our present labour force is doing a better job than most people realize. There are gaps and inadequacies in coverage, inflexibility in meeting some of our needs and other justifiable criticisms. But there is no question that most of these problems can be overcome and that private pensions will continue to play their important role in meeting the needs of retired Canadians. lg

**— John Munro**
*Minister, Labour Canada*


## Back issues of *The Labour Gazette*

A recent inventory shows that we have on hand — free for the asking — a limited number of copies of the following issues of *The Labour Gazette*:

**1975:** November, December.

**1976:** March, April, May, June, July, September, October, November, December.

**1977:** January, March, April, May, June, July, August.

Anyone wishing to receive any of the above may obtain them by writing to: Editor, *The Labour Gazette*, Canada Department of Labour, Ottawa K1A 0J2.

# Young people in their working environment — an International Labour Office report

by Roy LaBerge

An International Labour Office report says more and more countries are finding it hard to recruit young people into industry and even harder to keep them there. It blames parents and teachers for giving young people an unreal image of the working world; employers for caring more about production and profit than about the human beings who work for them; older workers for giving young people a harsh reception in the workplace, and even the entertainment industry for dangling before the eyes of young workers idols whose spectacular success is contrasted with the "meagre" satisfaction of their own dull, monotonous work lives.

The 37-page report, *Young people in their working environment*, denies that work has become any less arduous than in the past, contending that while some back-breaking tasks have been eliminated by technology, they have been replaced by nervous tensions arising from such factors as an excessive work pace, fragmentation of tasks, and shift work. It also complains that the leisure pursuits offered young workers provide only escapism instead of the "rest, relaxation, character building and intellectual adventure" they need. And it comments that it is even difficult for many young employees to eat properly at the workplace.

"Cold meals, a diet consisting mainly of sandwiches and the habitual use of automatic machines to provide food should be banned or exceptional," the document says. "It should be compulsory to provide a canteen or refectory, and undertakings should provide young workers with a well-balanced meal at a price they can afford."

The publication of the ILO's conditions of work and life branch says young people in both developed and developing countries show a "radical inability to adapt themselves to working life as it is today." It finds them particularly alienated from manual work, and attributes this to technical, psychological and sociological causes.

"Successive restructuring with its attendant threats of labour cutbacks and technological changes entailing downgrading bring to industrial employment an element of insecurity which discourages young people from entering it," the report notes.

"Compartmentalization" of industrial jobs makes work harder and less certain, and technological progress "does away with certain tasks and calls for aptitudes which lessen with age."

As a result, the only prospects technical progress can offer workers are "inevitable downgrading, unemployment, or, at best, premature retirement."

***It is hard to recruit young people into industry and harder to keep them there***

At the same time, the rise in school-leaving age and education "makes many young people increasingly unwilling for psychological and sociological reasons" to do work that leaves no room for initiative or responsibility. Many jobs now available in industry are unsuited to the standards of education of most people entering the labour market: "Manual occupations often lack prestige, and the public image of work in industry has suffered from the decline in the status of the workers it employs."

It also contends that employers, as a result of a preoccupation with efficiency and profit, have relegated human problems to the background: "All that goes to make up working life — the workers' psychology, demands, ambitions and the actual conditions in which they work, are still very imperfectly understood by their employers." This ignorance prevails despite the fact that "work is the primary activity and principal source of wealth in industrialized societies and societies in the course of industrialization....As a result, after at least 30 years of attempts in some countries to fit working conditions to the worker, it is still for the individual to bow to the dictates of production and his job, whatever his age and ability."

"The new tension-inducing job pressures appeared gradually with advances in technology. Most workers managed to get used to them in time, but they are particularly hard on today's school leaver who is unprepared for them," the ILO authors say.

For today's school leaver expects more from work than his forebears did: "He has a livelier sense of self-respect and of his own responsibility and commitment, but his work, although in appearance easier, is increasingly tyrannical,

***Their rejection of manual work shows up in apathy and passiveness rather than social agitation***

hierarchical, impersonal and inhuman, as increased fragmentation and monotonous and automatic operations leave less and less room for autonomy."

As young workers become aware of these realities of the workplace, they tend to refuse either training or supervisory posts: "This refusal of self-commitment goes hand in hand with the refusal to assume responsibility or take action leading to any deep involvement in an occupation which is not followed gladly." This refusal to commit themselves also shows up in "indifference and even occasional hostility to trade union representatives in industrial disputes."

Young workers "rejection reactions" to manual work in industry will lead to rebellion, "usually in the insidious form of apathy and passiveness rather than social agitation; to instability, absenteeism and low productivity." Industrial sabotage by young workers is increasing in industrial complexes, but most of

***Their leisure pursuits offer only escapism instead of rests, relaxation, character building or intellectual adventure***

it, the authors contend, "has nothing to do with politics but is only a means — sometimes an unconscious one — of expressing discontent."

The report goes beyond description and criticism of the status quo to recommendations for improved integration. One is that the transitional period between school and work be made easier. Young people should get a better welcome, and management should accept the fact that newcomers will make some mistakes.

And priority should be given to making work less arduous, and organizing it so as to allow workers more independence. Dirty, unpleasant or monotonous work should not be kept mainly for young people, as the ILO study says is now the pattern.

Some of the report's other observations:

• It would be a mistake to think this is only a passing crisis and that young workers, "once they have been duly indoctrinated" would "knuckle under to economi necessity" and take a greater interest in their work.

• Young workers are hampered b the "unrealistic" advice of their family and educators "who would think they were failing in their du if they did not give them an idealized picture of working routine and training....The gap between bleak reality and the hopes raised in them by their training instructors, their family and their educators leads to disap pointment, rebellion and rejection." lg

" I DONT KNOW WHO HE IS, BUT I WISH I HAD TEN MORE JUST LIKE HIM "

# CLRB decisions raise spectre of bank strikes

**by Kenneth McDonald**

Recent decisions by the Canada Labour Relations Board about the certification of unions at bank branches were acclaimed by union leaders.

According to one report, "at least a dozen major unions affiliated with the CLC (Canadian Labour Congress) expressed interest in organizing bank workers."

Perusal of the findings prompts some commiseration with board members in their task, but a good deal more with the customers whose voices were not heard.

They will be the ones who will suffer. Mail strikes have put thousands of merchants out of business. When the mail is shut down it is the stoppage of funds that causes the failures. A bank strike would have at least as serious an effect. Following a mail strike it could be disastrous.

Nor is there any comfort in the board's confident assertion that "a cessation of work at one location would not prevent the bank at its many other locations from continuing to operate."

What is done with the mails can be done also with the banks.

The theme is drawn from the express intention of Parliament, quoted in Part V of the Canada Labour Code, to encourage "free collective bargaining."

The phrase, which may have rung true when it was coined, has a very flat sound today.

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*Kenneth McDonald is a Toronto writer.*

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In another echo from the past, one of the unions aims "to foster and support legislation in the interests of the working class."

The findings reflect the Government's obsession, as expressed by Labour Minister John Munro, that the union movement should "fill the more active role that it should have in the functioning of our society."

Thus the board: "...unions grow and evolve with jurisdiction over employees in an industry. This is in the interest of employees and unions generally. New unionized sectors or industries often foster the creation of unions to care for their needs. Public sector and white-collar employee unions are recent examples."

They are indeed.

While the growth rate of public sector employment is declining, the growth rate of union membership within the public sector is increasing.

Only two years ago union membership in the public sector was put at 70 per cent. This year, the Canadian Union of Public Employees' research director claimed that union membership is over 90 per cent (compared with only 25 per cent in the private sector).

In passing we may notice another example of official solicitude toward unions. Opposing a bank argument in favour of the union organizing on a national basis, the board wrote:

"To organize on a national basis a union would have to start to solicit members in one area and then move outward to other areas. (It) would be on a constant treadmill of soliciting new employees and, at the same time, maintaining the support of members while expanding to new areas."

In other words, unions must be protected from the natural hazards that attend every voluntary organization in Canada. The stimulus of compulsion must be added.

Section 161 of the Canada Labour Code permits the inclusion in a collective agreement of a provision: "(a) Requiring, as a condition of employment, membership in a specified trade union; or (b) granting a preference of employment to members of a specified trade union."

Section 185 limits union powers of expulsion but only where an employee "has been expelled or suspended...for a reason other than a failure to pay the periodic dues, assessments and initiation fees."

In short, non-payment of dues is a legitimate reason for expulsion and hence loss of employment. Any resemblance to other voluntary organizations ends right there.

To return to the board's objection

to bargaining on a national basis, it is clearly true that "only an organization or movement with the enormous financial resources to operate nationwide...could make the rights of the code meaningful for the (bank) employees."

Just as clearly, neither the embryo Canadian Union of Bank Employees nor the Service, Office and Retail Workers Union of Canada is such an organization.

But the Canadian Union of Public Employees is. It is the largest union in Canada, and with more than 90 per cent of the public sector unionized, it has little room for expansion. It must seek fresh fields.

Where more natural than among administrative and clerical workers in the private sector?

Moreover, its locals extend at least as widely as bank branches.

As we are only too well aware, there is scarcely a hamlet in Canada that does not have a government presence of some sort. Where that presence exists, so will one or another of the public service unions.

In 1975 there were 2,660 union locals spread across Canada in federal, provincial and local administration.

That total is less than half the number of bank branches but the total membership (433,500) is more than three times the number of bank employees.

It might be supposed that the growing use of electronic funds transfer and of automated teller services would compensate for the withholding of human services.

On the contrary, CUPE has already anticipated the impact of technological advance upon the strike weapon. In a recent article (*Labour Gazette*, March, 1977) CUPE's research director made the point. "Changes in technology are making public service strikes less effective. Public sector unions will find it necessary to turn the screws a little tighter, to stay out on strike a little longer, and to find new techniques if the strike weapon is to remain as effective as it was in the past."

No doubt these techniques will be developed in the public sector. But they will then be available for use elsewhere.

No doubt, also, banks and other businesses should consider the adoption of profit-sharing, employee share ownership and wider employee participation in the functioning of the workplace as the modern alternatives to unionism.

But the issue is more complex. Central to it is a prevailing union belief that profits in general have been rising at the expense of wages. From that belief follows the assumption that companies can "afford" to pay higher wages — all that is needed to extract them is the pressure of collective bargaining."

In a recent article written for *The Globe and Mail*, CLC vice-president Shirley Carr made the point:

"The question must be asked, what happens to the money which a trade union voluntarily or through compulsion forgoes at the bargaining table. The money goes to the company in the form of greater profits and to shareholders in larger dividends."

That this has not, in fact, happened has been demonstrated by Montreal economist Peter Detmold:

"Between 1969 and 1975, average weekly wages in commercial industry grew at a rate of about 2 per cent per annum in real terms. These contrast sharply with increases in real wages in the public sector, some of which have grown at about 4.5 per cent over the period.

"In 1965 industry retained 53.4 per cent of the value of production, the remaining 46.6 per cent being available for society as a whole through the various taxation processes. But by 1974 (the last complete year before wage and price controls were implemented) the figures had almost exactly reversed, industry retaining 46 per cent of the value of production and giving up 54 per cent. Profit per worker employed declined by about one per cent a year."

It is that transfer of revenue from private to public sector that has guided the sequence of events. First, the growth of the public service; second, the information and expansion of public service unions; third, the use by public service unions of monopoly power to force wage gains ahead of the private sector; fourth, the impulse in public service unions, toward an extension of their power and membership into the private sector.

The spilling over of public sector unions into the private sector is entirely consistent with the Government's intention to strengthen the union movement as a whole on the British model. It is also consistent with government's unchecked intrusion into the private sector.

Governments are elected by those who support their policies. As the proportion of public employees increases so does it pay the public employer to indulge them. lg

*Reprinted from* The Globe and Mail.

# New challenges in industrial relations

**by Lynn Williams**

If we are to grapple effectively with the myriad of economic problems facing Canada, the first requirement is the immediate restitution of full collective bargaining rights. But more than that is needed — not simply a restitution of what has been taken away by the Anti-Inflation Program — but a new understanding and affirmation of the fundamental need for collective bargaining. We need an entirely new official and public recognition of the value of collective bargaining as a sensitive instrument in the resolution of social conflict. We must quit thinking about collective bargaining and its principal agent, the labour movement, as some kind of threat to our society, to be avoided or destroyed if possible and certainly to be controlled if neither of the other options can be achieved. We must instead think of acceptance and appreciation of the process, and of an end to the warfare against the labour movement.

Collective bargaining rights are an essential element in any conception of economic democracy. Any other method of compensation determination, no matter how carefully or generously conceived, is by its very nature authoritarian, not democratic. Whether the basic decisions are made by government, as in most cases at present, or by the employer alone, in the absence of collective bargaining there is no element of effective, democratic participation by those most directly affected by the decisions which are being made.

We are ridiculously backward in this regard in Canada. We continue to fight recognition battles in far too many places as if the last generation of change in industrial relations had never occurred.

*Lynn Williams is a former director of District 6 of the United Steelworkers of America, which covers Ontario. He prepared this article before his recent election as the union's international secretary.*

I'm not suggesting that the adversary system is at fault or should be eliminated. I'm very much in favour of the adversary system. It is a time-honoured method of problem-solving, a method that depends on the vigorous presentation of interested points of view in the search for justice, or for common ground. There is nothing in its nature that requires pitched battles! In fact its historical beginnings are in man's search for the resolution of conflict without resort to physical strife.

Collective bargaining, in those situations in which it has achieved its struggle for recognition and acceptance, has served the Canadian community well. In the industrial towns of Ontario, for example, the record is one of considerable success. In general terms these communities are more prosperous than they have ever been, their industries are efficient, their working people have achieved much higher levels of income and security than existed anywhere in pre-union times. In the union towns of Ontario working people are living much fuller lives, participating with energy, talent and responsibility in every aspect of life in their communities.

***We need a new, official and public recognition of the value of collective bargaining in resolving social conflict***

Collective bargaining has solved innumerable problems, large and small, frequently with an imaginative intelligence that can come only as a result of the applied effort of a number of caring and concerned human beings on both sides of a bargaining table. Thousands of injustices have been corrected, and thousands of problems in the work and community environment have at least been pushed or pulled in the direction of a solution.

All of this has been done with very little open conflict, certainly in relation to all the problem-solving that has been accomplished. And many of the crises of open conflict, or nearly-open conflict, were able to produce solutions, imaginative solutions, intelligent compromises, that had otherwise seemed impossible, and might well have remained impossible.

It is not my intention to suggest or imply that we are not faced with some very serious economic difficulties. We are. The era of economic growth based on cheap energy sources is gone. It may be that it will return again but present prospects would not suggest that that is likely. Similarly, in general terms, the era of all cheap natural resources is gone. And functioning

in a new and profoundly more effective way in relation to these changes in economic realities — as both cause and effect — is the developing world, or at least those parts of it with the resources that the developed world needs. The inevitable result is a much more effective affirmation by the Third World of its demands for equity and economic development.

What this means for all of us privileged to be in the more developed parts of the world, is that many of the difficulties in our own society, which unlimited and relatively easy growth have enabled us to paper over, must now be faced. We must find a positive response to the demands for equity and opportunity in our own society. We must find the answers to poverty, unemployment and alienation.

Central to these questions is the question of income sharing: who is to get what? If the pie can grow easily and forever, then today's injustices can always be looked after tomorrow. But that situation is coming to a rapid end, and we can procrastinate no longer.

One of the claims made for the Anti-Inflation program is that it makes us aware of some limits, but one of its most terrible implications for working people, who have had to struggle for justice and equity since the beginning of the industrial revolution, is that it does not simply freeze existing income inequities, it worsens them. We must grapple with these inequities if we are to be an effective national centre in the world economy. This will require many changes, a new openness about incomes, a new concern about floors and ceilings, a new attitude to participation and involvement in the decision-making processes in our society, and a new recognition and affirmation of collective bargaining. Instead too many of the power brokers put their faith in elitism, in the power of an autocratic few. Such a Disneyland fantasy won't do for most Canadians...they are here in the real world and it's here that the answers must be found.

***Legislative changes are needed to permit and encourage broader bargaining units***

The focus I propose, therefore, is that we permit, encourage, in fact require that free collective bargaining become our instrument for income sharing. To this end, our concern should be not to destroy it, but to assist it in every useful and progressive way we can devise.

First and foremost, let us affirm the existence of trade unionism and collective bargaining, as the way in which employer-employee relations are determined in our society; let us make legislative changes that give effect to such a point of view, that provide simple, direct access to trade unionism for all employees and make interference with such access an anachronism.

We also need legislative changes which permit and encourage broader bargaining units, a proposal which many make but about which not much has been done. Another frequent proposal is for the availability of more adequate, factual research for those involved in collective bargaining. This proposal becomes more practical and more meaningful where broader bargaining units are involved, so that research that relates to an industry, and its related communities, and its place in our economic situation can be viewed in broad enough terms.

Beginnings are being made, but more needs to be done, to provid educational and training opportunities for the practitioners of collective bargaining.

Another development which must be a part of the future is a dramatically increased openness about incomes as a necessary backdrop for bargaining. The information about what Ontario doctors earn, for example, although made available to the public in an unfortunate manner, part of a healthy development. It not at all unreasonable in a tighte and more difficult economic situation that income information abo every element of society should b available to others. People whose incomes are determined by collec tive bargaining are accustomed to this.

***Economic initiative is not in the hands of the labour move ment, but under the control o the private sector and of government.***

Another challenge, or set of challenges, that collective bargaining must recognize and to which it must respond, are those involved in establishing a new concept of dignity on the job. The idea is not new except in terms of its priority and visibility among the issues of today. The challenge is to change lingering workplace concepts of master-servant into creative relationships among responsible participants.

Such ideas suggest that it's impossible to consider any working environment that puts human beings at the risk of their health and their lives; that new levels of employment security must be developed; that we must provide a system of justice in the

workplace that recognizes innocence until guilt is established, and that does not deny justice by delaying it; that we must provide opportunities for a fresh look at the organization of work itself, the presumption being that most of us want to contribute in some useful and satisfying way, and need some control over and involvement in the structure of our work; that a working life must be viewed as much more than a wage-earning opportunity but as an opportunity to contribute and to learn.

These ideas and proposals, though far-reaching, would have a dramatic effect on the morale of our society. They would do much to give our working people that assurance of honest, dignified and equitable involvement which is essential if our democracy is to achieve the energy and cohesion necessary to meet the challenges which lie ahead.

There remains a need, however, if labour is to have some basic responsibility for the direction and development of our society, for a means of providing labour involvement in the determination of social and economic policy. To speak of responsibility without involvement is to speak of authoritarianism, paternalistic or otherwise, not of democracy.

For these reasons, the Canadian Labour Congress proposed that a new instrument or instruments be added to our structure in Canada, instruments which we identified under the umbrella term of tripartism.

At the heart of our proposal is the establishment of a tripartite Social and Economic Council. Its purpose would be to provide the possibility of developing a consensus about economic goals and objectives, of developing some kind of effective economic planning in which all sectors of the economy would be involved and to which all could make a contribution and commitment. It could attempt to integrate our social concerns with our economic goals so that they could be pursued together, not in apparent and false conflict as now seems so often to be the case.

***Beyond collective bargaining, there is a need for a means of providing labour involvement in determining economic and social policy***

In the Congress' proposal, specific attention was also given to labour market problems. In terms of basic economic strength and growth what can be more important than the training, education and employment of our labour force to the best possible advantage. We have many miles to travel in Canada before that is achieved. We felt in the Congress that this was a particular area in which a tripartite approach could make an effective, positive contribution.

It is, however, my sad and reluctant observation that at this moment at least our tripartite proposal seems far too advanced for others to accept. I have pondered why, and have concluded that it is seen as too threatening, that our established government and industrial leaders are much more content to be lecturing labour about responsibility and restraint than they are to share any real power or responsibility. Obviously our proposal threatens the total autonomy of private sector decision making. I believe it needs to be challenged. It has obviously been inadequate for our troubled times.

***Legislative changes are needed to provide direct access to trade unionism for all employees***

The tripartite proposal has also been seen to threaten Parliament itself. This was never our intention; we recognize that parliament should reign supreme. But we do believe that new instruments are needed to develop and initiate economic and social policies and programs only, of course, with the ultimate sanction of Parliament itself.

And there, as we say in collective bargaining, is our package...a restoration of collective bargaining rights combined with a much more positive affirmation of its value and much more attention given to its support...a willingness to use collective bargaining as the instrument for dealing with the modern issues of participation and dignity as well as for resolving the ever more important issues of compensation and benefits...and an acceptance of labour's right to be involved in a real way in the determination of social and economic policy.

It's a package of both old and new. It's a package that I believe would work to the benefit of all Canadians. lg

# Labour legislation in Canada, 1976

## *Part 6: Apprenticeship and tradesmen's qualifications*

**by Cal McKerral**

A significant development in the field of apprenticeship and tradesmen's qualifications during 1976 was the passage of Alberta's new Manpower Development Act.

The Act consists of five parts.

Part One assigns to the Minister of Advanced Education and Manpower the responsibility for, and duty to, provide manpower programs and services, as well as responsibility for programs and services relating to immigration to Alberta.

The Minister is also empowered to make agreements with the governments of Canada, the provinces, territories, or municipal corporation, agency, organization or other person, relating to demographic matters and to immigration programs and services.

Part Two of the Act deals with administration.

A Director of Apprenticeship and Trade Certification is provided for, as is a board called the Alberta Apprenticeship and Trade Certification Board.

The Board consists of a chairman, at least three members representing employers, at least three representing employees, and an alternate for each of these groups. Additional representatives of the general public are also provided for.

*Cal McKerral is a legislation analyst with Labour Canada.*

It is the duty of the Board to advise the Minister on all matters affecting the general conditions governing trade training and certification of workers in designated trades.

The Board may appoint a Local Advisory Committee for any designated trade in any area of Alberta where activity in that trade is substantial. These boards would consist of a chairman, plus one employee representative and one employer representative.

The Board must appoint a Provincial Advisory Committee for each designated trade. A committee consists of the Director, who acts as chairman, the Local Advisory Committee members for that trade, and additional members appointed by the Board on the recommendation of the Director.

A Provincial Advisory Committee exists to make recommendations to the Board with respect to any matters pertaining to apprenticeship or other trade training, trade regulations, programs of training, certification requirements. It must also develop and approve policies of accreditation where training programs in other training programs can be shown to meet the skill and knowledge requirements of a specific apprenticeship program.

The Director or his representative are empowered to enter any place at any reasonable time for the purpose of performing any duty assigned under the authority of Part Two. An employer may be required to disclose payroll records, job classifications, the kind of work or qualifications of any of his employees who are or may be working in a designated trade.

The Board also hears appeals from any person affected by a decision or order of the Director. The time limit for appeal is 30 days from the time the order was made.

Part Three of the Act deals with training and certification of workers engaged in trades.

The Lieutenant-Governor-in-Council is empowered to designate trades to which the Act applies. A petition need not be received, although specific rules of procedure to be followed in the case where a petition is received, are included in the Act.

To be engaged in a designated trade a person must be a journeyman, an apprentice (or have applied for apprenticeship status), or hold a special authorization from the Director.

Every apprenticeship contract must follow a specified form, and be signed by the apprentice, the employer and the Director.

The Director may allow credits to an employee for previous training and experience. The Director may also terminate an apprenticeship contract (i.e., for contravention of the Act or regulations, breach of contract, voluntary agreement between apprentice and employer, or upon recommendation of the Local Advisory Committee. The Director may also arrange for transfer of the contract to another employer.

Trades can be "voluntarily certified". That is, whether by petition and investigation or not, the Minister may designate trades, and the Director, upon the advice or recommendation of the Local Advisory Committee, may issue certificates to persons judged, at that time, through experience and general competence, to be skilled in a trade.

"Compulsory certification" is also provided for. That is, the Lieutenant-Governor-in-Council may, whether by petition and investigation or not, designate trades.

When this type of designation is made, those working in that trade must, within one year after the designation comes into force, apply to the Director for a Certificate of Proficiency. A certificate may be issued after examinations are held, but may be issued without examination if certain criteria (i.e., person holds certificate of Completion of Apprenticeship, holds Certificate of Qualification, satisfies Director and Local Advisory Committee or examination committee that he is competent and has been employed in the trade for a specified time) are fulfilled.

The Director is empowered to cancel or suspend any Certificate of Proficiency where he is satisfied that the holder has contravened the Act or regulations or for any other cause he considers sufficient.

Penalties for contravention of Part Three of the Act are a maximum of $1,000 for a first offence, and a maximum of $2,000 for a second offence.

Part Four of the Act provides for a Manpower Advisory Council (six members representing the general public interest, a chairman, and any other members recommended by the Minister to serve ex officio).

The Council's purpose is to review goals and needs of manpower and manpower development, and advise and make policy recommendations to the Minister.

The Manpower Development Act amends the Licencing of Trades and Businesses Act, and repeals the Apprenticeship Act, the Tradesmen's Qualification Act, and the Welding Act. Any reference to these last three Acts in statute or regulation or any other instrument is now deemed to be a reference to the Manpower Development Act. lg

**"If you don't learn a trade, how are you going to know what kind of work you're out of?"**

# comment

## Problems can be opportunities

A commentary in the May issue of *The Labour Gazette* suggests that the lack of job opportunities for college graduates may bring about, as in India and Mexico, "the presence of a drifting, aimless, under-employed intelligentsia."

This creates an image reminiscent of the Dirty Thirties when, in a larger dimension, there existed a real mass of drifting, aimless, under-employed people. There are many obvious differences between the masses, then and now, and little is to be gained from such a comparison. However, an examination of the less obvious differences could be helpful.

Expressed in today's idiom, the Thirties Man made it known that "I'm looking for BREAD, man!"

In those words, literally true at that time, he was saying that what he needed, primarily, was a job, ANY job, that would feed and clothe him. Among the "intelligentsia" of those days there was the electrical engineer who, on graduation, took a job driving a local transit bus. This did not destroy him: today he is a very successful executive, having returned to his profession when times got better. Others of his graduation year "rode the rails" and ALL OF THEM learned a lesson which, unfortunately, is not taught in schools; it is the jungle lesson that every man's responsibility is to take care of himself, no matter how the environment about him may change.

We tend to forget that lesson today. We are all too sympathetic to the complainant who says: "Here I've spent four (or five) expensive years in university learning how to be a history teacher (or a social worker, or a psychologist) and now there are no vacancies of that kind." And it is quite unpopular to say: "It won't last, man. In the meantime, you can feed yourself by taking one of those minimum-wage jobs that are going begging down at the Manpower Centre."

Life has its accidents and blessings of fortune. None of us has a God-given right to be served up with only platefuls of blessings. A man really isn't a man until he has proven, as has been necessary ever since he came down out of the trees, that only he can ensure his own survival. It sounds trite, until it becomes a reality. Regardless of what other impressions one may have of the "aimless, under-employed masses of India and Mexico," one can be sure that, lacking the social financial props of the richer nations, these people have learned or relearned the lessons of survival.

It is bad enough, today, to find on graduation that one cannot proceed directly into starting a career, particularly a career of one's choice. But problems CAN be opportunities. There is encouragement in the results of a survey that anyone can make at any time. The survey consists of posing a question to a sample group of people whose qualification to be surveyed is that, at mid-age, they have been successful and thoroughly enjoy the work of their success. The question to be put to them is: "DID YOU PLAN YOUR CAREER, EXACTLY AS IT HAS DEVELOPED, OR DID YOU BACK INTO IT, HARDLY KNOWING OR INTENDING AT THE TIME THAT YOU WOULD STAY WITH IT?" Answers are more impressive if we find them ourselves. However, the results of this survey can point to the encouraging fact that an imposed change of career path can still have a rainbow at its end (with a real pot of gold).

We need to be consistent, too, in our concepts and reasonings. The young careerist gets a warm feeling when he is told "the structure of the world of work today means that, unlike your predecessor of thirty years ago, you can look forward to the fulfillment of two or even three successful careers." Paradoxically he turns cold at the realization that he has to make a change BEFORE he even makes a start on the first of these paths. If he is so unadaptable at the outset, how fixed in his ways would he be after 20 years along his first career path?

It may appear unsympathetic to say there's bread to be had from digging ditches or that there's lots of bread up there on the frontier jobs, at the price of three years away from soft living. Today's generation has simply suffered the accident of being born at a less-than-opportune time. This is not unique. The generation twice removed suffered the double casualty of a long depression and a five-year war.

It survived and prospered.

**J.R. Nadeau**
*Associate Editor,* Canadian Personnel and Industrial Relations Journal

## Give workers responsibility and challenge

The modern production system has led to a loss of meaningful, rewarding and socially stimulating work. The worker has by and large been reduced to a factor of production. This point has been belaboured by many observers and experts, and need not be elaborated here. What troubles us is that the present upsurge of concern and the suggestions for change are generally accompanied by the assurance that "humanizing" the workplace will at the same time enhance productivity. This may be the case in certain instances, but we should be prepared to suffer a setback in productivity if that is needed to make the workplace an environment in which people can thrive as responsible persons again. We may be required to sacrifice productivity in order to bring about the changes that are needed to restore workers to a place of responsibility in their work. It will be very difficult to bring about real and meaningful changes in the workplace unless we are prepared to challenge prevailing beliefs about the purpose of work and the role of the corporation.

The foregoing is all the more imperative in view of the present trend toward more capital and energy-intensive, labour-saving and technologically-complex investment. This policy involves the irresponsible use of scarce resources and contributes to the structural distortions of severe unemployment and inflation.

The corporation is generally viewed as a technical, legal entity in which the suppliers of capital possess all the rights of management. But it is first of all a structure in which human beings form a *work community*. To be sure, division of tasks and variety in authority and responsibility must be respected. Management needs room and authority to manage. At the same time, all persons involved in an enterprise should be seen as fully human persons who in their own work must be able to realize something of the responsibility and the challenge that has been accorded to every human being by our Creator.

**Christian Labour Association of Canada**

*From a submission to Labour Minister John Munro.*

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## A proposal for retaining workers during cyclical downturns

Workers often assume that improved work means fewer jobs, thus provoking fears that inhibit their interest in improving organization effectiveness and productivity. Their common sense and experience already have told them that increases in productivity often lead to loss of jobs and that economic fluctuations can lead to layoffs — regardless of productivity. So their assumption persists despite union and management declarations that more effective organizations do better in a competitive market and are less likely to relocate or to close down, thus enhancing rather than diminishing job security. The fear of job loss also frequently stimulates workers to stretch or spread their work, thereby reducing productivity and intensifying problem situations.

A formal system of job maintenance for retaining workers during a period of cyclical downturn would provide a major step toward eradicating such fears. Under the system recommended here, an organization can develop the capacity for involving workers at all levels in solving problems of the organization. During periods of reduced production, the time allocated to productive problem solving and training activity would be expanded. For example, if market conditions necessitated production cutbacks that ordinarily would result in a 10 per cent layoff, all workers could be retained under the proposed system, with 10 per cent of their time assigned to problem solving.

A state and/or federal system of job-maintenance support could replace much of our current unemployment compensation insurance costs. Instead of going into nonproductive unemployment expenditures, the funding could be applied toward supplementing outlays of a company undertaking a job-maintenance program.

**Sidney B. Rubinstein,**

*President,*
*Participative Systems Inc.,*
*Princeton, New Jersey*

## Labour took the lead

Back in the "Dirty Thirties", the Canadian Association for Adult Education marched to the slogan "Now and then forget your bleeding heart and use your bloody head."

"Bleeding heart" had a somewhat different connotation in those days of the Great Depression. The slogan was straightforward enough to be understood by all who heard it. "Don't just sit there moaning about the lack of food, decent shelter and your starving kids. Get off your butt and go out and learn a new skill. Don't stand on street corners bemoaning your hard lot with your fellow jobless. Join a study group. Get a hook and line and catch a fish. The sea is full of them. Stop bleeding and use your bloody head. Remember what Dr. Jimmy Tompkins said: 'When a man gets up on his hind legs, no one can walk on him'."

So many of the unemployed and the one-shift-a-week workers did just that. They got out and learned new skills; they built credit unions, set up cooperative stores; some of them even built homes for themselves, the co-op way. They were given the ideas and they put them to work.

And so much of the time, then and since, labour leaders and labour unions were in the vanguard of adult education, giving freely and willingly of their time, leisure and money to assist their fellows toward the good life.

That is why the news was so welcome of the signing of a "no strings attached" agreement by CLC President Joe Morris and Labour Minister John Munro, that brings $2-million annually for the next five years to the Congress for the operation of a National Labour Studies Centre and five regional centres.

It is a substantial recognition of the part labour has played in adult education and will provide a solid basis for the further education of present and future labour leaders.

**Editorial**
*Canadian Railwayman*

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## Freedom of information and tripartism

Freedom of information is an essential requisite of a truly democratic society, for the people must know the reasons for government decisions and have access to the information on which those reasons are based. The provision of information by any government department can only improve relations between the public servant and the public, whether in private industry or in the union movement.

In recent years, organized labour has been lobbying for a tripartite system whereby economic decisions would be made in consultation between business, government and labour. What this essentially requires is a greater flow of information and decision making among the parties. From the point of view of freedom of information, what matters is not whether you believe in a tripartite system but in the basic tenet that there must be a sharing of information in any democracy.

Mankind's progress has always been marked by the emergence of new ideas. If one group has a monopoly of information, this means that vital information is not available to many researchers and thinkers that could result in some form of progress. This is not stretching a point, for under our current system the government has to release only what it chooses to release. For example, if the federal government had released the documents and research data that led to its initiating wage and price controls then perhaps labour and business could have contributed their thoughts and experience on the matter, and, who knows, might have agreed. Instead, there ensued bitter words and recriminations on all sides.

Those advocating Freedom of Information laws in Canada are simply saying that increased flow of information between those who govern and the governed can lead only to a more informed citizenry which can only contribute to the health of the democratic process.

**Tom Riley**
*Ottawa*

# Research Notes

### Collective bargaining

"B.C. Bargaining and Earnings Since the A.I.B." by Jerry Meadows. *Labour Research Bulletin,* July 1977. (B.C. Ministry of Labour).

The focus of this article is on how employees in British Columbia have fared during the first 18 months of the controls program compared with the period before it. Four main areas are looked at: (1) wage settlements negotiated between unions and employers; (2) average weekly earnings; (3) the Vancouver consumer price index; and (4) the unemployment rate in the province. A fifth section deals with the length of collective agreements that have been negotiated.

### Inflation

*The Wage Determination Process in Canadian Manufacturing Industries, 1962-1975,* by D.A. Wilton. Labour Canada, Economic Analysis Directorate, 1977.

Using a sample of 1,190 individual wage settlements in Canadian manufacturing industries for the period 1962-1975, the author re-examines the relationship of negotiated wage changes to demand and supply conditions in the labour market (commonly known as the "Phillips curve" or the inflation and employment trade-off curve).

Although the author finds that the Phillips curve has existed in Canada during the last decade, he concludes that this curve is rather discouraging for policy-makers who attempt to manage the economy through monetary and fiscal policies. While expansionary monetary and fiscal policies may have only minor immediate inflation costs and perhaps substantial employment effects, the long-run consequences are non-trivial. Any attempt to hold the unemployment rate below the "natural" rate (about 7½-8 per cent in the manufacturing sector) will only lead to accelerating inflation. Thus policies which reduce unemployment below its natural rate must be countered by a subsequent dose of restrictive demand management policies which create unemployment in excess of the natural rate.

### Labour costs

"How Labor Costs Swung with the Cycle." *Monthly Economic Letter,* Citibank, August 1977.

The results of Citibank's annual unit labor cost survey, based on data from the U.S. Bureau of Labor Statistics, show that the total rise in U.S. labour costs per unit of output over the 1970-76 period was only 35 per cent, a fraction of the increase in other countries. Among 10 other countries surveyed, Canada (61 per cent) Britain (70 per cent) and Italy (79 per cent) were the runners-up. The data relate to manufacturing industry and are based on U.S. dollar equivalents.

### Labour studies

"Academic Degrees for Labor Studies — a new goal for unions," by Lois R. Gray. *Monthly Labor Review,* June 1977.

Labour studies, a specialized program catering to incumbent or aspiring union officers, have registered a phenomenal growth since 1968. According to the latest available information, 47 U.S. colleges and universities offer a major or concentration in labour studies. In addition, a growing number of technical and liberal arts degree programs are planned in co-operation with unions and aimed at part-time worker students.

Although no single pattern has emerged, most programs have the following in common: (1) adult union members as a target student

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body; (2) the active role of labour unions as sponsors or advisors; (3) a mix of labour-related subjects with liberal arts offerings; and (4) a policy of "open admissions."

The key question with respect to labour studies degree programs is whether they will survive. Danger signals include high student drop-out rates, critical reaction from many labour educators, both in unions and universities, and pressure from academic institutions to combine or drop new programs in a fiscal crunch.

**Older workers**

"Effects of Age and Experience on Productivity," by Donald P. Schwab and Herbert G. Heneman III. *Industrial Gerontology,* Spring 1977.

Studies on the relationship between age and productivity consistently indicate that older workers tend to be as productive as their younger counterparts or only slightly less so. One possible explanation for this is that older workers may be able to offset productivity declines that could occur as a function of increasing age by capitalizing on the improved skills and knowledge associated with increased experience.

The importance of such a possibility has differential implications for retaining versus hiring older workers. If the satisfactory productivity of older workers were dependent on their experience, organizations would be motivated to *retain* existing older workers, since they already benefit from the added experience, but they would not be motivated to *hire* older applicants.

From an examination of the relationship between age, experience, and productivity in a sample of semi-skilled operatives it was found that older workers were as productive as younger ones even after controlling for the former's greater experience. Implications for employment practices and future research are discussed.

**Part-time workers**

*Part-Time Work in Ontario: 1966 to 1976,* by Gord Robertson. Ontario Ministry of Labour, Employment Information Series No. 20, August 1977.

Over the period 1966 to 1976, with the exception of the years 1971 to 1973, the number of part-time workers in Ontario (defined as persons who usually work less than 35 hours a week) grew at a faster rate than the number in full-time employment. Well over half of the growth in part-time employment between 1966 and 1973 was accounted for by single persons under 25 years of age. Occupational distributions indicate that the largest percentage increases were in clerical and sales occupations. As might be expected, the average straight-time hourly earnings of part-time employees tend to be lower than for full-time employees.

Based on data for 1974 and 1975, it is evident that there are significant seasonal variations in part-time employment. The level of part-time employment tends to peak in the spring and toward the end of the year and reaches its lowest levels in the summer months. This seasonal variation is at least partly explained by the fact that over two fifths of part-time workers cited "going to school" as their reason for working part-time.

**Younger workers**

"Youth Employment and Unemployment." *OECD Observer,* July 1977.

Nearly 6 million young people under the age of 25 were at last count listed as unemployed in the seven largest OECD countries (including Canada) and young people account for about 42 per cent of all recorded unemployment, the average incidence being about three times as great as among the 25-64 age group. Causes include a deficit of new jobs, growing competition for jobs, inadequate preparation for working life, and the preference of many firms for older workers. Consequences include an undermining of the foundations of "human capital," a deteriorating social integration of young people, and detrimental feedback to schoolchildren. The article outlines a number of measures that might be taken to improve the employment situation of younger workers.

*The foregoing was prepared by Laurence A. Kelly, an independent industrial relations researcher and writer in Kingston, Ontario.*

***A Directory of Presidents of Canadian National Unions 1911-1972*** by Professors Gary Chaison and Joe Rose of the School of Administration, University of New Brunswick, has been prepared, and may be purchased for $1.50. (Cheques payable to the School of Administration, University of New Brunswick). Requests for copies may be sent directly to the School of Administration.

# Additions to the Library

The publications listed below are recent acquisitions. They may be borrowed through a local library (business, university, public, etc.) or directly — if there is no local library — by writing to The Chief Librarian, Labour Canada, Ottawa, Ontario K1A 0J2, indicating author, title and publisher.

## Affirmative Action

**Koch, James V.** *The economics of affirmative action,* by James V. Koch and John F. Chizmar. Lexington, Mass., Lexington Books, 1976. 158p.

## Arbitration, Industrial

**Brown, Donald J.M.** *Canadian labour arbitration,* by Donald J.M. Brown and David M. Beatty. Agincourt, Ont., Canada Law Book Ltd., 1977. 551p.

The authors' intention in writing this book "was primarily to gather together and distil the reported arbitral jurisprudence of the past thirty years into a convenient research tool for lawyers, arbitrators, industrial relations representatives and trade union officials who are involved in presenting arbitration cases and in the administration of collective agreements."

## Brain Drain

**Grubel, Herbert G.** *The brain drain; determinants, measurement and welfare effects,* by Herbert G. Grubel and Anthony Scott. Waterloo, Ont., Wilfrid Laurier University Press, 1977. 165p.

A collection of papers (1966-1970) aimed at providing policy makers with theoretical and empirical information on which future decisions relative to labour migration must be based. Deals primarily with Canadian and U.S. concerns. Includes some 1976 reflections on the measurement of the brain drain.

## Collective Bargaining

**Schick, Richard P.** *The public interest in government labor relations,* by Richard P. Schick and Jean J. Couturier. Cambridge, Mass., Ballinger Pub. Co., 1977. 266p.

Centers on five case studies of jurisdictions where interest groups representing persons who were not parties to the bilateral negotiations between city officials (management) and public employee union representatives (labour) perceived an interest in the outcome of the negotiations and tried to influence it.

## Industrial Democracy

**Emery, Frederick Edmund.** *Democracy at work: the report of the Norwegian industrial democracy program,* by Fred Emery and Einar Thorsrud in co-operation with others. Leiden, Martinus Nijhoff Social Sciences Division, 1976. 179p.

**Herbst, P.G.** *Alternatives to hierarchies.* Leiden, Martinus Nijhoff Social Sciences Division, 1976. 111p.

## Industrial Relations

**Bowen, Peter.** *Social control in industrial organizations; industrial relations and industrial sociology: a strategic and occupational study of British steelmaking.* London, Routledge and Kegan Paul, 1976. 270p.

Based on an industrial relations case study in a British steel plant, this study is an account of the application of sociological concepts to the process of social relations between employer and employee, and among all types of industrial workers. The study shows that social control systems in industry must have proper regard for both organization requirements and the expectations of their rank-and-file memberships.

## Job Enrichment

**Taylor, Linda King.** *A fairer slice of the cake — the task ahead.* London, Business books, 1976. 228p.

A collection of case studies showing how companies have used co-operation between management and workers to increase work motivation, thereby improving both job satisfaction and productivity levels. Includes an extensive bibliography on job enrichment and related fields.

## Labour Unions

**Nevin, Jack.** *AFGE — federal union; the story of the American Federation of Government*

*Employees,* by Jack and Lorna Nevin. Washington, American Federation of Government Employees, 1976. 211p.

## Noise

**International Labour Office.** *Protection of workers against noise and vibration in the working environment.* Geneva, 1977. 74p.
Titre en français: *La protection des travailleurs contre le bruit et les vibrations sur les lieux de travail.*

A code which provides guidance for governments, employers and workers, setting out principles that should be followed for the control of workplace noise and vibration, and containing information required for establishment of control programmes for individual plants. Includes a list of existing international standards and other international provisions.

## Pensions

**Organization for Economic Co-operation and Development.** *Old age pension schemes.* Paris, OECD, 1977. 206p.

A comparative analysis of the different pension schemes in OECD countries, showing that they have much in common and frequently encounter the same difficulties. The main problems discussed are the level of benefits, extension of coverage, adjustment of benefits to reflect cost-of-living increases, equal treatment of the sexes, financing of pension schemes, making retirement age and conditions more flexible, and the need to simplify administrative procedures.

**Trowbridge, Charles L.** *The theory and practice of pension funding,* by C.L. Trowbridge and C.E. Farr. Homewood, Ill., R.D. Irwin, 1976. 154p.

A textbook dealing with the basic principles of pension funding and avoiding detailed description of techniques or mathematical formulas.

## Quality of Working Life

**Susman, Gerald I.** *Autonomy at work; a sociotechnical analysis of participative management,* by Gerald I. Susman. Foreword by Eric Trist. New York, Praeger, 1976. 231p.

## Wages and Hours — Union Influence

**Evans. John C.** *On estimating the union — non-union wage differential in Canada,* by John C. Evans and Glenn M. MacDonald. Toronto, York University, Department of Economics, 1976. 33p.

An attempt to measure the relative wage effect of unionism so that it can be used in estimating the social opportunity cost of labour in Canada. Reviews the estimating methodology available and the results of previous investigations. Provides calculations for all occupations in general, and for low-skilled workers in particular, using inter-industry data, and for selected occupational groups using inter-regional data. Comments on the likely impact of business cycles and unanticipated inflation on the relative wage effect of unions.

## Work Satisfaction

**Barbash, Jack.** *Job satisfaction attitudes surveys.* Paris, Organization for Economic Co-operation and Development, 1976. 36p.

This report deals with three questions: Is satisfaction in work really a problem? Can work satisfaction be conceptualized so as to be usable in government programs and policies? Is the methodology of job satisfaction attitudes surveys suited to evoke responses which will advance usable programs and policies?

# PRICES, EMPLOYMENT, AND EARNINGS

### Consumer, August

The Consumer Price Index for Canada (1971 = 100) advanced 0.4 per cent from 161.8 per cent in July to 162.5 in August — the lowest monthly increase since December 1976 — and was 8.3 per cent higher than in August a year ago. Higher shelter charges for both owned and rented accommodation were responsible for almost two fifths of the latest monthly advance. An increase of 0.5 per cent in the food index accounted for an additional one third of the advance. Between July and August the index for all-items excluding food also increased 0.5 per cent.

Higher prices for fresh fruit, pork and poultry products were largely responsible for the 0.5 per cent rise in the food index. Other price increases were noted for bread, processed fruit and vegetables, tea, coffee and fats and oils products. Seasonally lower prices for fresh vegetables partially offset these increases. The index for food consumed at home rose 0.6 per cent in the latest month and has increased 12.5 per cent in the eight-month period between December 1976 and August 1977.

Higher shelter charges for both owned and rented accommodation, including higher dwelling insurance premiums, accounted for a large proportion of the 0.5 per cent rise in the index for all-items excluding food. Other contributing factors included higher prices for men's and women's outer wear and footwear, barbering and hairdressing services, and for beer and alcohol served in licensed premises. Lower automobile insurance premiums partially offset these advances. Between August 1976 and August 1977, the index for all-items excluding food increased 7.6 per cent.

In terms of goods and services, the price level of goods, including food, increased 0.4 per cent in the latest month and that for services rose 0.6 per cent.

Seasonally adjusted, the all-items CPI advanced 0.4 per cent between July and August. This included a 0.2 per cent rise in the food index and a 0.6 per cent increase in the index for all-items excluding food.

### City Consumer, July

From June to July, consumer price indexes rose in all regional cities. Increases ranged from 0.4 per cent in Saskatchewan to 1.4 per cent in Montreal. Higher food prices — notably for beef, pork, fresh fruit, coffee, tea and restaurant meals, and increased shelter charges were mainly responsible for these increases.

The percentage increases listed in all 14 regional cities in July were: 1.2 in St. John's; 0.5 in Halifax; 0.6 in Saint John, Winnipeg, Regina and Calgary; 0.8 in Quebec; 1.4 in Montreal; 0.7 in Ottawa, Toronto, Edmonton and Vancouver; 1.1 in Thunder Bay; 0.4 in Saskatoon. The percentage increases from July 1976 to July 1977 were: 8.4 in St. John's; 8.1 in Halifax; 7.7 in Saint John; 9.4 in Quebec; 8.9 in Montreal; 8.8 in Ottawa and Calgary; 8.0 in Toronto; 8.3 in Thunder Bay; 8.2 in Winnipeg; 8.6 in Saskatoon; 9.9 in Regina; 9.1 in Edmonton; 7.1 in Vancouver.

### Employment, August

The seasonally adjusted employment level in August was 9,798,000, an increase of 55,000 from July, Statistics Canada reported. The level for women 25 years of age and over increased by 33,000, and for women aged 15 to 24, it declined by 4,000. There were increases of 26,000 among men 25 years of age and over, and no change in the level for men aged 15-24. By province, the seasonally adjusted employment level increased in Nova Scotia by 4,000; in Quebec by 12,000; in Ontario by 20,000; in Saskatchewan by 5,000; in Alberta by 4,000. The level decreased in Newfoundland by 2,000; in New Brunswick by 3,000. There was no change in Prince Edward Island or Manitoba.

### Unemployment, August

The seasonally adjusted unemployment rate increased by 0.1 per cent to 8.2 per cent (879,000) in August. It increased by 0.5 per cent to 15.2 per cent of men aged 15 to 24, by 0.1 per cent to 14.4 per cent for women in that age group, and by 0.4 per cent to 7.3 per cent for women 25 years of age and over. The rate declined by 0.1 per cent to 5.0 per cent for men aged 25 years and over.

Provincially, the seasonally adjusted unemployment rate increased by 0.6 per cent to 15.9 per cent in Newfoundland; by 0.2 per cent to 10.3 per cent in Nova Scotia; by 1.4 per cent to 14.3 per cent in New Brunswick; by 0.2 per cent to 7.0 per cent in Ontario; by 0.4 per cent to 4.9 per cent in Alberta; by 0.3 per cent to 8.8 per cent in British Columbia. The rate declined by 1.2 per cent to 8.6 per cent in Prince Edward Island; by 0.1 per cent to 10.2 per cent in Quebec; by 0.2 per cent to 5.6 per cent in Manitoba; by 0.5 per cent to 4.0 per cent in Saskatchewan.

**Earnings, June**

Average weekly earnings in Canadian industry were $252.37 in June, an increase of 9.97 per cent compared with $229.50 a year ago. Provincially, average weekly earnings, unadjusted, were highest in British Columbia, $286.74; Alberta, $263.13; Ontario, $251.67; Quebec, $247.69; Newfoundland, $247.09; Saskatchewan, $239.11; Manitoba, $229.59; New Brunswick, $219.66; Nova Scotia, $213.01; Prince Edward Island, $189.79.

Average weekly earnings in June, by industry division, were: construction, $377.68; mining (including milling), $343.32; forestry, $307.10; transportation, communication and other utilities, $289.34; manufacturing, $267.22; finance, insurance and real estate $229.92; trade, $195.95; service, $172.54.

Compared with June 1976, averag hourly earnings increased 9.79 pe cent in construction, 6.42 per cen in manufacturing and 8.04 per ce in mining (including milling).

## General minimum rates for experienced adult workers

| Jurisdiction | Rates per hour |
|---|---|
| Federal | $2.90 effective April 1, 1976 |
| Alberta | $3.00 effective March 1, 1977 |
| British Columbia | $3.00 effective June 1, 1976 |
| Manitoba | $2.95 effective September 1, 1976 |
| New Brunswick | $2.80 effective November 1, 1976 |
| Newfoundland | $2.50 effective January 1, 1976 |
| Nova Scotia | $2.75 effective January 1, 1977 |
| Ontario | $2.65 effective March 15, 1976 |
| Prince Edward Island | $2.70 effective July 1, 1977 |
| Québec | $3.15 effective July 1, 1977 |
| Saskatchewan | $3.00 effective January 1, 1977 |
| Northwest Territories | $3.00 effective June 7, 1976 |
| Yukon Territory* | $3.00 effective April 1, 1976 |

*Federal rate plus 10 cents.

## Minimum wage rates for young workers and students*

| Jurisdiction | Rates per hour | Effective date |
|---|---|---|
| Federal | Employees under 17: $2.65 | April 1, 1976 |
| Alberta | Employees under 18: $2.85 | March 1, 1977 |
| | Students under 18 employed part-time: $2.50 | March 1, 1977 |
| British Columbia | Employees 17 and under: $2.60 | June 1, 1976 |
| Manitoba | Employees under 18: $2.70 | September 1, 1 |
| Nova Scotia | Underage employees: 14 to 18 years $2.50 | January 1, 197 |
| Ontario | Students under 18 employed for not more than 28 hours in a week or during a school holiday: $2.15 | March 15, 1976 |
| Prince Edward Island | Employees under 18: $2.35 | July 1, 1977 |
| Québec | Employees under 18: $2.95 | July 1, 1977 |
| Northwest Territories | Employees under 17: $2.55 | June 7, 1976 |

*New Brunswick, Newfoundland, Saskatchewan and Yukon Territory have no special rates for young workers or students.

# labour statistics

| Principal Items | Date | Amount | Percentage change from Previous Month | Percentage change from Previous Year |
|---|---|---|---|---|
| TOTAL CIVILIAN LABOUR FORCE* | | | | |
| Week ended July 16, 1977 | | (unadjusted figures, in thousands) | | |
| Employed | | 11,100 | + 2.2 | + 2.4 |
| Agriculture | July 1977 | 10,222 | + 1.7 | + 0.12 |
| Non-agriculture | " " | 531 | + 5.5 | - 0.18 |
| Paid workers | " " | 9,691 | + 1.5 | + 1.7 |
| At work 35 hours or more | " " | 9,206 | + 2.0 | + 1.6 |
| At work less than 35 hours | " " | 6,881 | - 8.9 | + 1.3 |
| Employed but not at work | " " | 1,594 | - 17.8 | - 6.4 |
| | " " | 1,747 | +218.2 | - 1.5 |
| | | (change in thousands) | | |
| Unemployed | July 1977 | 878 | + 64 | +103 |
| Newfoundland | " " | 31 | + 1 | + 4 |
| Nova Scotia | " " | 35 | + 2 | + 2 |
| Prince Edward Island | " " | 5 | + 1 | — |
| New Brunswick | " " | 35 | + 2 | + 7 |
| Quebec | " " | 295 | + 21 | + 55 |
| Ontario | " " | 285 | + 4 | + 20 |
| Manitoba | " " | 26 | + 3 | + 5 |
| Saskatchewan | " " | 21 | + 6 | + 2 |
| Alberta | " " | 41 | + 12 | + 9 |
| British Columbia | " " | 104 | + 11 | - 1 |
| Without work, seeking work and available for work | " " | 792 | + 54 | +113 |
| | | percentage change | | |
| INDUSTRIAL EMPLOYMENT (1961 = 100)[r] | April 1977 | 141.7 | + 0.9 | - 0.5 |
| Manufacturing employment (1961 = 100)[r] | " " | 124.7 | + 0.3 | - 2.7 |
| IMMIGRATION | 1st quarter 1977 | 25,557 | — | — |
| Destined to the labour force | " " " | 10,962 | — | — |
| STRIKES AND LOCKOUTS ‡ | | | | |
| Strikes and lockouts | June 1977 | 162 | + 5.1 | - 37.7 |
| No. of workers involved | " " | 31,675 | - 3.6 | - 81.6 |
| Duration in man days | " " | 326,520 | - 9.3 | - 73.4 |
| EARNINGS AND INCOME | | | | |
| Average weekly earnings (ind. comp.)[r] | April 1977 | 246.25 | + 0.7 | + 9.7 |
| Average hourly earnings (mfg.)[r] | " " | 6.27 | + 1.0 | + 11.0 |
| Average weekly hours paid (mfg.)[r] | " " | 38.7 | - 0.5 | - 0.5 |
| Consumer price index (1971 = 100) | July 1977 | 161.8 | + 0.9 | + 8.4 |
| Index numbers of weekly wages in 1961 dollars (1961 = 100)[r] | April 1977 | 153.5 | - 0.5 | + 2.5 |
| Total labour income (millions of dollars) † | June 1977 | 10,093.1 | + 3.2 | + 8.0 |
| INDUSTRIAL PRODUCTION ‡ | | | | |
| Total (average 1971 = 100) | June 1977 | 125.1 | + 0.3 | + 4.0 |
| Manufacturing | " " | 124.1 | + 0.1 | + 3.2 |
| Durables | " " | 126.3 | + 0.6 | + 3.4 |
| Non-durables | " " | 121.9 | - 0.5 | + 3.0 |
| NEW RESIDENTIAL CONSTRUCTION ** | | | | |
| Starts | June 1977 | 21,279 | — | - 9 |
| Completions | " " | 18,582 | — | + 7 |
| Under construction | " " | 163,711 | — | + 2 |

*Source: Statistics Canada. *Labour Force Information*, Cat. No. 71-001P and *The Labour Force*, Cat. 71-001
†Advance data
‡Preliminary
** Centres of 10,000 population or more
[r]Revised

# STRIKES AND LOCKOUTS

Statistical information on work stoppages in Canada is compiled by the Labour Data Branch of the Canada Department of Labour on the basi reports from the Canada Manpower Division, Department of Manpower and Immigration. The tables cover strikes and lockouts that amount to 1 more man-days. The number of workers involved includes all workers reported on strike or lockout, whether or not they all belonged to the ur directly involved in the disputes leading to the work stoppages. Workers indirectly affected, such as those laid off as a result of a work stoppage, not included.

## TIME PERSPECTIVE ON WORK STOPPAGES, JUNE 1977

| Period | Number beginning during month | Work stoppages in existence during month or year | | | Per cen estima work |
|---|---|---|---|---|---|
| | | Number | Workers involved | Duration in man-days | |
| Year | | | | | |
| 1973 | 677 | 724 | 348,470 | 5,776,080 | |
| 1974 | 1,173 | 1,218 | 580,912 | 9,221,890 | |
| 1975 | 1,103 | 1,171 | 506,443 | 10,908,810 | |
| 1976 | 921 | 1,039 | 1,570,940 | 11,609,890 | |
| 1976 | | | | | |
| June | 135 | 260 | 171,334 | 1,224,180 | |
| July | 84 | 219 | 83,388 | 1,270,240 | |
| August | 78 | 206 | 116,648 | 1,186,600 | |
| September | 59 | 185 | 136,482 | 1,943,860 | |
| October | 78 | 181 | 927,888 | 2,035,720 | |
| November | 52 | 138 | 54,886 | 498,700 | |
| December | 37 | 110 | 45,090 | 249,202 | |
| 1977(1) | | | | | |
| January | 47 | 113 | 29,132 | 227,670 | |
| February | 45 | 111 | 19,272 | 193,140 | |
| March | 69 | 133 | 23,441 | 226,220 | |
| April | 76 | 160 | 39,133 | 353,400 | |
| May | 60 | 154 | 32,857 | 359,740 | |
| June | 59 | 162 | 31,675 | 326,520 | |
| January-June 1977(1) | | 422 | | 1,686,700 | |
| January-June 1976 | | 651 | | 4,425,950 | |

(1)Preliminary

### WORK STOPPAGES BY INDUSTRY, JUNE 1977 (Preliminary)

| Industry | Number beginning during month | Work stoppages in existence during month | | | Cumulative duration in man-days (Jan. to June) |
|---|---|---|---|---|---|
| | | Number | Workers involved | Duration in man-days | |
| Agriculture | 0 | 0 | 0 | 0 | 0 |
| Forestry | 0 | 2 | 330 | 7,010 | 43,640 |
| Fishing | 0 | 0 | 0 | 0 | 20,800 |
| Mines | 2 | 4 | 1,070 | 4,680 | 75,660 |
| Manufacturing | 27 | 80 | 13,350 | 182,840 | 954,800 |
| Construction | 8 | 10 | 5,994 | 38,860 | 112,840 |
| Transp. & Utilities | 2 | 12 | 5,785 | 27,210 | 93,700 |
| Trade | 4 | 16 | 716 | 11,000 | 63,050 |
| Finance | 0 | 0 | 0 | 0 | 4,240 |
| Service | 7 | 19 | 1,732 | 28,600 | 233,890 |
| Public Admin. | 9 | 19 | 2,698 | 26,320 | 84,180 |
| Various industries | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 59 | 162 | 31,675 | 326,520 | 1,686,700 |

### WORK STOPPAGES BY JURISDICTION, JUNE 1977 (Preliminary)

| Jurisdiction | Number beginning during month | Work stoppages in existence during month | | | Cu lat d tio m d (Jan Ju |
|---|---|---|---|---|---|
| | | Number | Workers involved | Duration in man-days | |
| Nfld | 3 | 4 | 1,125 | 9,910 | 115 |
| P.E.I. | 0 | 0 | 0 | 0 | |
| N.S. | 4 | 6 | 396 | 1,140 | 2 |
| N.B. | 3 | 3 | 384 | 2,370 | 9 |
| Québec | 18 | 86 | 10,136 | 177,010 | 870 |
| Ontario | 22 | 37 | 10,032 | 73,910 | 424 |
| Manitoba | 0 | 1 | 4 | 90 | 18 |
| Saskatchewan | 3 | 6 | 1,170 | 9,810 | 22 |
| Alberta | 0 | 4 | 172 | 3,750 | 31 |
| B.C. | 6 | 8 | 2,208 | 14,540 | 63 |
| Yukon & N.W.T. | 0 | 0 | 0 | 0 | |
| Total, provinces | 59 | 155 | 25,627 | 292,530 | 1,558 |
| Federal Public Service(1) | 0 | 0 | 0 | 0 | 3 |
| Federal Industries(2) | 0 | 7 | 6,048 | 33,990 | 124 |
| Federal total | 0 | 7 | 6,048 | 33,990 | 127 |
| TOTAL | 59 | 162 | 31,675 | 326,520 | 1,686 |

(1) Covered under the Public Service Staff Relations Act.
(2) Covered under the Canada Labour Code: Part V.

NOTE: Numbers relate only to workers directly involved in dispute.